BUS. ADM
LIBRARY

Final Edition THURSDAY

In 2 Sections — Section 1

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4138

New York, N. Y., Thursday, December 31, 1942

Price 60 Cents a Copy

JAN 2 1943

OUR REPORTER'S REPORT

An operation which escaped almost unnoticed, although apparently not so intended since the company sought tenders of certain of its outstanding bonds, revealed this week how widespread is the current trend by corporations toward use of surplus cash to reduce outstanding indebtedness.

The Public Service Electric & Gas Company, subsidiary of the Public Service Corporation of New Jersey, advertised on Saturday, asking tenders of certain of the outstanding obligations of some of the underlying properties.

Holders desiring to take advantage of the opportunity to cash in on, their holdings were instructed that such tenders must be in by the close of business on Tuesday. Moreover, it was decided that holders of bonds involved in tenders selected by the company must be delivered by today at the latest.

The undertaking is not one of major proportions since the company is calling for only sufficient bonds to exhaust $1,000,000 principal amount. But it may run to around $1,200,000 allowing for premiums commanded by the bonds.

The issues involved are topgraded and largely held by institutions. Saturday, being sandwiched in between Christmas and Sunday, was a rather bad day to publicize the program, or so it seems, since many of the portfolio men for institutions did not see the ad until it was called to their attention.

But there seemed little question, however, that the company would get its quota of the issues, even though they will be

(Continued on page 2324)

HOW DID WE GET THIS WAY?

THE ANATOMY OF CAPITALISM

By H. B. LOOMIS and JOHN B. KNOX
of John B. Knox & Company

Editor's Note: New Deal program makers, now wearing postwar planning labels, continue as in the past to pore over their blue prints with their backs to the world of realities. Their products are every whit as dangerous as they ever were—perhaps more so since the war appears to have lent them additional psychological support.

The best way to combat such seductive proposals as those now appearing almost daily, perhaps the only effective way, is to turn the flood light of fundamental truths upon them.

It is with hope of doing its part in combating this menace that the "Chronicle" is presenting a series of articles, of which this is the eighth, which call the reader's attention pointedly to certain fundamentals often overlooked in this day and time. It can think of no better contribution to postwar planning.

Part VIII

As commerce and industry grew, a medium of exchange was required and the thing we call money evolved, just as did weights and measures from which it does not greatly differ. Through it all products are reduced to a common denominator and this gives meaning to the element called price.

It soon became obvious that metallic money was not fully adequate and the ingenuity of thinking men developed bills-of-exchange, bank notes and eventually a banking system, the management of which required another division of labor. The advocates of a managed currency somehow fail to understand, maybe because they do not want to, that money always has been and always will be managed but that when the management is assumed by politicians, the result is mismanagement. The mind is often the weakest point of strong-minded people. The intelligent comprehension of the significance of any series of facts is a slow process.

Monetary theory has a peculiar fascination for most men regardless of their knowledge of the subject. It is

(Continued on page 2324)

Special Editorial Material Featuring Savings and Loan Associations Starts on Page 2322.

Our Reporter On "Governments"

Well, the deal is over—done in 23 days and done on a scale beating even the enthusiastic, optimistic forecasts of the managers of the campaign, surpassing the wildest hopes of Treasury officials. . . . You know the results, and the $12,000,000,000-plus figure tells the story as no extravagant language could . . . You know how you and your fellow investors reacted to the "basket" and that tells the tale as no comment from this writer could. . . .

In more technical detail, the record-shattering success of the greatest borrowing operation in the history of the world means that:

(1) We may look forward to a breathing spell extending into April of next year, for March is a poor month for another $9,000,000,000 to $12,000,000,000 financing and the funds received this December will permit the postponement. . . .

(2) Whatever financings we do get will be comparatively minor and probably will be geared to bank portfolios entirely. . . .

(3) Premiums have appeared and are expected to remain on the new 1¾s and 2½s. . . .

(4) The entire Government bond market is in for a good period and a gradual rally may set in and last through the month of January. . . .

(5) Some excellent trading opportunities for investors who may like to rearrange their portfolios over the coming 60 days are likely to develop. . . .

(6) Plans for "forced savings" have received a serious setback due to the demonstration of the effectiveness of the voluntary method of financing—when it is tried on a "blitz" basis. . . .

(7) Relationships between the Treasury and the financial community—banks and investment bankers and brokers— are better today than at any time since the Roosevelt Administration took office. . . .

(8) Continued use of the "blitz method" of selling Governments and even wider use of the Victory Fund Committee setup in future deals may be taken for granted. . . .

(9) The next deal will concentrate more on buyers in small, out-of-the-way districts because these showed the least satisfactory response. . . .

(10) "Basket" deals are in for the duration with the plan being to devise special securities for every type of buyer. . . .

PREMIUMS

One interesting angle of the moment is the extent of the premium to develop on the new issues. . . . As this is being written, the 2½s are selling at a premium of 5/32 and the 1¾s are at a premium of 3/32, but both of these are "tentative." . . . And as one dealer put it, "we're holding our breath, and just waiting for them to break through." . . . It is expected that the 1¾s will become an ex-

(Continued on page 2328)

INDEX

Page
Bank and Insurance Stocks........2318
Business Man's Bookshelf..........2328
Calendar of New Security Flotations.2326
Investment Trusts 2319
Municipal News and Notes.........2320
Our Reporter On Governments....2213
Uptown After 3.....................2325
Our Reporter's Report..............2213
Personnel Items 2316
Railroad Securities 2317
Real Estate Securities..............2316
Securities Salesman's Corner.......2319
Tomorrow's Markets—Walter Whyte Says 2314

QUICK ACTION ON DESIGN AND CONSTRUCTION
also
SURVEYS AND REPORTS
In connection with
MANAGEMENT PROBLEMS
FINANCING and VALUATIONS
SANDERSON & PORTER
ENGINEERS and CONSTRUCTORS
52 WILLIAM STREET
Chicago NEW YORK San Francisco

Established 1856
H. Hentz & Co.
Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges
N. Y. Cotton Exchange Bldg.
NEW YORK
CHICAGO DETROIT PITTSBURGH
MEXICO, D. F., MEXICO
GENEVA, SWITZERLAND

Invest each day and pave the way to **VICTORY**
Buy War Bonds and Stamps
R. H. Johnson & Co.
Established 1927
INVESTMENT SECURITIES
64 Wall Street, New York
BOSTON PHILADELPHIA
Troy Albany Buffalo Syracuse
Pittsburgh Williamsport Dallas

MANHATTAN BOND FUND
INC.
PROSPECTUS ON REQUEST
Wholesale Distributors
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PL. 634 SO. SPRING ST.
JERSEY CITY LOS ANGELES

Actual Trading Markets, always
AVIATIONS
RAILS
INDUSTRIALS
Kobbé, Gearhart & Co.
INCORPORATED
Members N. Y. Security Dealers Ass'n
45 Nassau Street New York
Tel. REctor 2-3600 Teletype N. Y. 1-576
Philadelphia Telephone: Enterprise 6015

NATIONAL BANK of INDIA, LIMITED
Bankers to the Government in Kenya Colony and Uganda
Head Office: 26, Bishopsgate, London, E. C.
Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar
Subscribed Capital....£4,000,000
Paid-Up Capital £2,000,000
Reserve Fund........£2,200,000
The Bank conducts every description of banking and exchange business
Trusteeships and Executorships also undertaken

Specialists in
Utah Power & Light
Amalgamated Sugar
Utah-Idaho Sugar
and other Western Securities
J. A. HOGLE & CO.
Established 1915
Members New York Stock Exchange
Salt Lake City • Denver • Los Angeles
and 7 other Western Cities

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK
Broaden your customer service with Chase correspondent facilities
Member Federal Deposit Insurance Corporation

AMERICAN MADE MARKETS IN CANADIAN SECURITIES
HART SMITH & CO.
Members
New York Security Dealers Assn.
52 WILLIAM ST., N. Y. HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

Inquiries Invited
New York, Lackawanna & Western
Lackawanna Railroad of N. J.
Morris & Essex
Utica Chenango & Susq. Valley
B. W. Pizzini & Co.
GUARANTEED RAILROAD STOCKS-BONDS
Telephone BO. Gr. 9-6400 55 Broadway NEW YORK Teletype N.Y. 1-1063

WE WISH TO ANNOUNCE THAT
THE FIRM NAME OF
KATZ BROS.
WILL BE CHANGED TO
KING & KING
40 EXCHANGE PLACE
NEW YORK
MARTIN I. KING
SAMUEL H. KING
January 2, 1943

Federal
Water & Gas
J. F. Reilly & Co.
Members
New York Security Dealers Assn.
71 Broadway, New York, N. Y.
HAnover 2-4660
Bell System Teletype, N. Y. 1-2480

Loeb Rhoades To Admit F. Gernon As Partner

Carl M. Loeb, Rhoades & Co., 61 Broadway, New York City, members New York Stock Exchange, announce that Frank E Gernon has been admitted as a general partner in the firm.

Mr. Gernon started in Wall Street 30 years ago with Hollingshead & Campbell, a commercial paper firm. Following this he became associated with Hathaway, Smith, Folds & Co. He received his early bond training with Hallgarten & Co. He was vice president of Royal Securities Corporation of New York and in 1923 joined Hayden, Stone & Co., as manager of the bond department. He became a partner on Jan. 1, 1929, and retired from the firm on Oct. 31, 1942.

He is a Governor of the Bond Club of New York and Chairman of the Executive Committtee of the New York Group, Investment Bankers Association of America.

John Nuveen Branch Opened In Boston

BOSTON, MASS.—John Nuveen & Co., municipal specialists since 1898, have opened an office at 10 Post Office Square. The firm's main office is located at 135 South La Salle Street, Chicago, and branches are maintained in leading cities throughout the country.

New Crummer Company To Be Formed in Cgo.

We have been advised that R. E. Crummer & Co. will be dissolved as of Dec. 31, 1942.

An entirely new company to be known as The Crummer Company will be formed.

Baltimore & Ohio
4s, 1944
Missouri Pacific
Serial 5¼s
Seaboard Air Line
5s, 1931
G. A. Saxton & Co., Inc.
70 PINE ST., N. Y. WHitehall 4-4970
Teletype NY 1-609

We Maintain Active Markets for
CANADIAN INDUSTRIALS
CANADIAN UTILITIES
CANADIAN MINES
CANADIAN RAILS
CANADIAN BANKS
GOODBODY & CO.
Members N. Y. Stock Exchange and Other Principal Exchanges
115 BROADWAY NEW YORK
Telephone BArclay 7-0100 Teletype NY 1-672

Childs of Stein Bros. & Boyce Calls Ceilings, Saving Best Weapons Against War Inflation

William T. Childs, partner in Stein Bros. & Boyce, prominent Baltimore investment firm, speaking at Western High School in Baltimore, declared that "one of the vicious by-products of this war, of World War I, of all wars for all times, is inflation. Mr. Childs quoted Dr. Edwin Walter Kemmerer, economist of Princeton University, as saying: "With the possible exception of France in the Napoleonic wars, every great war in history has brought inflation to the belligerents. This was true of our American Revolution, the American Civil War and the Franco-Prussian wars. The widespread inflation of the period of the first World War and the years immediately following, is still a tragic memory for many millions of people in Europe."

William T. Childs

"After the Civil War," Mr. Childs declared, "Confederate money wasn't worth the paper it was printed on. At one time inflated Russian currency was redeemed at 50,000,000,000 of paper rubles to one gold ruble. In our own Revolutionary War, Continental currency was redeemed at the rate of $100 to $1. Then it became worthless and the expression arose 'not worth a Continental.'"

"Italy is now having trouble outside of Italy with her currency. In normal times the Italian lira and the Swiss franc were worth about 20 cents of American money. A few weeks ago the Italian lira sold at 16 to 1 for the Swiss franc. Now it is 24 to 1.

"This means the Italian must give $4.80 worth of his liras for a 20-cent Swiss franc. That is why Italy's financial situation is darker today than ever. Some are expecting the bubble to burst.

"Some one has said 'there is only one way to escape the evils of inflation, and that is to prevent inflation.' That is saying a lot, but how? Is it possible to

(Continued on page 2327)

SEC To Permit Data To Be Confidential

The Securities and Exchange Commission has amended the recent rule requiring brokers and dealers to file annual financial statements with the Commission to limit the extent to which public disclosure would be made of certain supplementary schedules filed under the regulation.

The rule, as amended, now states that security schedules, if bound separately from the rest of the report filed, will be held confidential, except that they shall be available for official use by an official or employee of the United States or any State, by national securities exchanges and national securities associations of which the person filing the report is a member.

The rule was amended, it is understood, at the request of brokers and dealers, who declared that full public disclosure would benefit only their competitors.

W. J. Banigan & Co. Succeeds C. H. Jones

W. J. Banigan & Co. will succeed the firm of Chas. H. Jones & Co., 50 Broadway, New York City, one of the oldest firms in the over-the-counter securities business, as of Jan. 2, 1943. Partners in the new firm will be William J. Banigan, John B. Fowler, Jr., John S. Hutchinson and Philip L. Morrison (limited).

Messrs. Banigan and Morrison have been associated with the Jones organization since 1914. Mr. Fowler will be resident partner in the Carlisle, Pa., office and has been associated with the Jones Co. since 1935. Mr. Hutchinson has been with the old firm since 1934.

Attractive Outlook

The earnings outlook for the 40 Wall Street Building, Incorporated, is particularly attractive at the present time, according to an analysis issued by Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City. Copies may be had from Seligman, Lubetkin & Co. upon request.

For Banks, Brokers and Dealers Only
WARREN BROS.
Old Common and Preferred
New Class "B" and "C"
New 4½s, due 1956 and 5s, due 1977
Bought — Sold — Quoted
HAY, FALES & CO.
Members New York Stock Exchange
71 Broadway, N. Y. Bell Teletype NY 1-61 BOwling Green 9-7027

Tomorrow's Markets Walter Whyte Says—

Firmness after two day decline on volume not as good as first signs indicate. New buying not recommended yet.

By WALTER WHYTE

I have just finished going over a number of market, business, and even war predictions and am awe stricken at the complacency with which certain people predict the future, I have all I can do in just trying to figure what the market can do from week to week without delving into a dim beyond no one knows much about. And to forecast the state of business and the war—well, I'd rather speak than write about them. Putting such things down in black on white is so irrevocable that I'm scared away.

* * *

Only where the market is concerned am I on firmer ground. I don't mean that I can tell what the market will do next year, next month, or even next week. But through long practical experience I have come to recognize certain signs as indicative of certain developments and can guide myself accordingly. Whether these interpretations will prove correct only the market can say. I flatter myself that during 1942 this column has kept a good average.

As this year draws to a close we find the market attempting to reflect not only actual but psychological facts. That it is up against an entirely new set of conditions is obvious. So far as actual facts—the war—is concerned, we have official war news to keep us informed. If the market doesn't readily reflect such good or bad news is due in large part to two reasons. The first is the gnawing doubt as to the authenticity of good news. The second is due in large part to the fact that isolated battles, no matter how spectacular, give little clue to the major tide of the war.

* * *

On the home front psychological factors hit the market and us the hardest. To many of us the war is still something far away and the various rationing systems are schemes devised by incompetent bureaucrats. It may be argued that a discussion of rationing systems has little to do with stock markets. Yet, if you consider some of our leading industries and how rationing has affected them you must see that the market

(Continued on page 2325)

Alabama Mills
Debardelaben 4s, 1957
Davenport Besler, 1st Inc. 6s, '53
W. S.
STEINER, ROUSE & CO.
Members New York Stock Exchange
25 Broad St., New York, N. Y.
NY 1-1557
New Orleans, La.-Birmingham, Ala.
Direct wires to our branch offices

The Season's Greetings
and best wishes for the
New Year
to our friends and clients
HUNTER & CO.
Members N. Y. Security Dealers Ass'n.
12 Broadway New York
WHitehall 4-2968 Teletype NY 1-110

George Miller Now Doremus Vice-Pres.

George Laflin Miller has been elected Vice President of Doremus & Company, 120 Broadway, New York City, national advertising agency, according to an announcement made by William H. Long, Jr., President of the agency.

Mr. Miller joined Doremus & Company in July, 1940, to take over the direction of the General Advertising Accounts of the New York office. Since graduating from Yale University in 1919, Mr. Miller has been continuously associated with the advertising agency business. Before joining Doremus, Mr. Miller was for five years a principal of Wildrick & Miller, Inc. Prior connections include J. Walter Thompson as copy writer, Lord & Thomas as New York copy chief, and United States Advertising Corp. as national copy chief. Under the pen name of Aesop Glim, Mr. Miller is the author of more than a hundred articles on merchandising and advertising.

Announcement was also made of the addition of three new members to the Doremus & Company staff.

Charles F. Schroeder, formerly associated with Spot Film Productions and International Business Machines, has joined the organization as a copy writer in the General Accounts Division.

Edward H. Pearson, formerly with Lord & Thomas, J. F. Arndt & Co. and Horton-Noyes, has become associated with the agency as a copy writer and account executive on general business.

Reginald W. Tickner, formerly engaged in the investment banking business and from 1940 to 1942 assistant to the President of the Investment Bankers Association directing the field work of the Association's public information campaign, has joined the agency's general staff. Mr. Tickner, following his graduation from Princeton, served in the first World War and upon his release from service in 1919 entered the investment banking business. He was for a number of years with the old firm of Harris, Forbes & Co. In 1937 he formed his own firm to act as advisors to institutions and investors, largely on Canadian securities. Recently Mr. Tickner has been active in a public relations capacity for the New York Ordnance District. His home is at Maplewood, N. J.

FREEMAN & COMPANY
ANNOUNCE THE REMOVAL OF THEIR OFFICES TO
61 BROADWAY, NEW YORK
TELEPHONE WHITEHALL 4-3344

UNDERLYING RAILROAD MORTGAGE AND TERMINAL BONDS
EQUIPMENT TRUST SECURITIES SHORT TERM SERIAL ISSUES
UNDERLYING PUBLIC UTILITY BONDS

DECEMBER 28, 1942.
PHILA. TELEPHONE
RITTENHOUSE 6161

COMMERCIAL and
FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, December 31, 1942

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

Copyright 1942 by William B. Dana Company.

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.

Subscriptions in United States and Possessions $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year. NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

NEW DIRECT WIRE
TO REAL ESTATE
SECURITIES DEPT.
WHITEHALL 4-6330
PRUDENCE BONDS
TITLE CO. CERTIFICATES
BANK MORTGAGE
PARTICIPATIONS
Newburger, Loeb & Co.
Members New York Stock Exchange
40 Wall St., N.Y. WHitehall 4-6330
Bell Teletype NY 1-2033

Cosgrove, Snyder To Be Yarnall Partners

PHILADELPHIA, PA.—William P. Cosgrove and Harry B. Snyder will be admitted to partnership in Yarnall & Co., 1528 Walnut Street, members of the New York and Philadelphia Stock Exchanges, on Jan. 7. Both have been associated with the firm for some time, Mr. Snyder in the public utility and railroad department and Mr. Cosgrove in charge of the statistical department.

Foster, Brown & Co. Formed In New York

Following the dissolution of Foster, Marvin & Co., today, the New York Stock Exchange firm of Foster, Brown & Co., 120 Broadway, New York City, will be formed effective Jan. 1, 1943. Partners of Foster, Brown & Co. will be H. Elbert Foster, Jr., Donald M. Lovejoy, both Exchange members, and Irving Brown. All were partners in the dissolved firm of Foster, Marvin & Co.

DEALER BRIEFS

Kansas City, Mo.

Government financing, of course, overshadows everything, and has lessened the institutional demand for other forms of investments. However, the individual investor of moderate means is still seeking investment, though in a very discriminating way, and with considerable stress upon the effect of taxation. Good local securities with generous yields are favored. —*John A. Prescott, Pres., Prescott, Wright, Snider Company.*

Our clients are largely interested in seasoned income securities, both stocks and bonds. They are selecting higher yield issues cautiously. Most are hesitant on common stocks at this time, and are paying a great deal of attention to post-war securities. Although we are giving considerable of our time to War Bond sales, our business has improved the past six months. We find more people seeking investment advice than before the war, therefore we are called upon to make more solicitations and render more service than formerly. The business is there as usual for those who go after it.—*Leonard A. White, Pres., Wahler, White & Company.*

Oklahoma City, Okla.

Business is very quiet. Dealers and Investors alike are concentrating on the Victory Fund Drive. We do not expect interest in municipals to develop until after the first of the year, when pressure by the Government for funds will be off for the time being.—*J. H. Edwards, R. J. Edwards, Inc.*

Seligsberg Partners Join Hirsch Lilienthal

Following the dissolution of Seligsberg & Co. today, Clifford Hollander, Alphonse A. Shelare, Jr., member of the New York Stock Exchange, and Robert F. Shelare, also a member of the Exchange, will become general partners in Hirsch, Lilienthal & Co., 25 Broad Street, New York City, effective Jan. 1, 1943. Alphonse A. Shelare and Albert J. Seligsberg will become limited partners in the firm as of the same date.

All were partners in Seligsberg & Co. Merging of the investment business of Seligsberg & Co., and Hirsch, Lilienthal & Co., was previously reported in the "Financial Chronicle" of Dec. 24. Hirsch, Lilienthal & Co., established in 1911, are members of the New York Stock and Curb Exchanges and other leading national exchanges.

Connecticut Light & Power Co.
Common Stock
West Penn Power Co.
Common Stock
Spencer Trask & Co.
25 Broad Street, New York
Teletype NY 1-5

As We End 1942

Reviews of the year just closing, and predictions regarding 1943, will be mighty plentiful during the next few days. Special newspaper sections and all types of periodicals will feature the flow of comment and conjecture, review and prediction, that has come to be the norm in America as a new year is born. Accordingly, in this year-end we want to err on the side of brevity.

The all-important factor, of course, governing our lives and our economy will be the course and duration of the war, and on this subject the world and his brother are completely in the realm of guess-work. However, it does seem to us that thinking on the question of duration has changed substantially since a year ago. At that time predictions were frequent that we were in for a five-year, an eight-year, or a ten-year war. Today, due to the magnificent stand of the Russians, our assumption of the initiative in the Pacific, the improved position in North Africa, and our amazing progress in building up our Armed Forces and turning out munitions, few individuals are pessimistic enough to believe that five to ten years will be required to overcome the fascist powers.

(Perhaps the war will end in 1943, perhaps in 1944 or 1945. If we were compelled to guess we would prefer to hazard the opinion that the end will come sooner than anticipated rather than later. Certainly our progress since Pearl Harbor has been great, and the question now is not **if** we will win, but **how soon** we will win.)

On the home front the changed complexion of Congress is the all-important factor. Where this will lead us it is too early to determine. Perhaps we are at the start of one of those intermittent swings to the right, the type of changed national thinking that led to Harding's "normalcy" after the last war. But as a generality we would feel that the pattern of the war and the nation's thinking on the subject of peace will largely determine our political and economic policies here at home.

Paradoxically it may be that the Republicans and the Southern Democrats, our conservative, orthodox groups, may bring about unorthodox inflation. For if incoming Congressmen feel that they have a mandate to fight off increased taxes and to weaken price regulation and price control, we may then be face to face with this surprising paradox. Certainly it has only been by resorting to high taxes and by adopting vigorous price controls and ceilings that inflation has been

(Continued on page 2318)

NY Curb Members Now With Armed Services

The following members of the New York Curb Exchange are serving in the armed forces:

Thomas B. Berentsen, Ingalls & Snyder; Richard J. Bernhard, Wertheim & Co.; William R. Bolton; Charles K. Dickson, Auchincloss, Parker & Redpath; William P. S. Earle, Jr., Winthrop, Whitehouse & Co.; Martin Fenton, Laird & Co.; Henry W. Ford, Laird, Bissell & Meeds; Andrew J. Fox, Jr., Fox & Monteith; Edward P. Frost; Ezra R. Frost; G. Donald Gallagher; Charles H. Hoffman; William E. Hutton, W. E. Hutton & Co.; Edward H. Jewett, Jr.; Morton D. Joyce; Robert R. Lansburgh, Bear, Stearns & Co.; William E. B. Lyon; Joseph G. McManus; Darwood G. Meyers; G. M. Minton, Jr.; Thomas Morris, Jr.; Sterling J. Nordhouse; Lee S. Oppenheimer; Henry W. Parish, 2nd; Sebastian Patane; Charles H. Phelps, Jr.; Donald C. Portser, Jr.; John D. Rissetto; Albert F. Rosenbaum, Wm. M. Rosenbaum & Co.; William I. Rosenfeld, Jr.; Gerald Sexton, Sexton & Smith; Alfred V. Smith; Louis Tavormina; Charles I. Westheimer, Westheimer & Co.; William R. Wister.

N. Y. Security Analysts Schedule Forum Meetings

At the first luncheon meeting of the New York Society of Security Analysts after the new year, scheduled for January 4th, the subject of discussion will be "Actual and Potential Market Supports for U. S. Government Obligations." Stephen Foster, Economic Advisor for the New York Life Insurance Co., will lead the discussion.

On January 6th, Robert R. Guthrie, independent capitalist, formerly with the War Production Board will speak on "Problems of the Food Industries."

On January 8th, Dr. Otto Jeidels of Lazard Freres & Co., will address the meeting on "The Risks of Post-War Inflation."

All luncheon meetings will be held at 12:30 p. m. at 56 Broad Street, New York City.

It is with deep regret that we
announce the death of our
President, Arthur Sedley.

December 17, 1942
THE BANKERS BOND CO.
Incorporated
Kentucky Home Life Bldg., Louisville

B. S. LICHTENSTEIN
AND COMPANY
1943
365 opportunities
to help the
WAR EFFORT
DON'T MISS ONE!
Obsolete Securities Dept.
99 WALL STREET, NEW YORK
Telephone: WHitehall 4-6551

We Are Specialists In
REAL ESTATE SECURITIES
Inquiries Invited In
Lawyers Mtge. Co. Ctfs.
Lawyers Title Co. Ctfs.
Bond & Mtge. Co. Ctfs.
and all other Title Co.'s
Bank Trust Participations
Complete Statistical Information
L. J. GOLDWATER & CO.
INC.
Members New York Security Dealers Assn.
39 Broadway, New York, N. Y.
HAnover 2-8970 Teletype NY 1-1203

Offerings Wanted
Canadian
Securities
Municipal and
Corporation Issues
Firm Bids Made in
American Funds
CHARLES KING & CO.
61 Broadway, N. Y. WH. 4-8980
Teletype N. Y. 1-142
Specializing In Canadian Bonds & Stock

"Profits & Prophecy" For Investors & Trustees

The Mutual Building and Loan Association of Pasadena, 38 South Los Robles Ave., Pasadena, Cal., will be glad to send investors, trustees and other fiduciaries a copy of their free booklet, "Profits and Prophecy," describing the advantages of investing in insured Federal Savings and Loan investments and outlining the history, structure and operation of the Mutual Building and Loan Association with emphasis on dividend record, earnings, growth and progress of the Association.

New Gruntal Co. Dept. With John Small, Mgr.

Announcement is being made today that Gruntal & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, will open a Municipal Bond Department on Jan. 1 under the management of John Small. Mr. Small has been a partner of Newburger & Hano for the past year and prior to that was Manager of the Municipal Bond Department of Jackson & Curtis for nine years.

Federal Water
and Gas Corporation
Common Stock
Bought — Sold — Quoted
CRAIGMYLE, PINNEY & CO.
Members New York Stock Exchange
ONE WALL ST., NEW YORK
Telephone WHitehall 4-5290

PUBLIC UTILITY
INDUSTRIAL
RAILROAD
MUNICIPAL
BONDS
A.C. ALLYN AND COMPANY
INCORPORATED
CHICAGO
New York Boston Philadelphia
Detroit Milwaukee Omaha

KANSAS CITY
Through Wire Service
to
NEW YORK
(Strauss Bros.)
CHICAGO
(Strauss Bros.)
ST. LOUIS
(Murdoch, Dearth & White, Inc.)
BAUM, BERNHEIMER CO.
1016 Baltimore Avenue
KANSAS CITY, MO.
Tel.: Harrison 6432
Teletype: KC 472

NEWARK
New Jersey Municipal Bonds
Insurance Stocks
Real Estate Securities
•
J. S. Rippel & Co.
Established 1891
18 Clinton St., Newark, N. J.
MArket 3-3430
New York Phone—REctor 2-4383

ST. LOUIS
STIX & CO.
SAINT LOUIS
509 OLIVE ST.
Bell System Teletype—SL 80
•
Members St. Louis Stock Exchange

Carl Blomberg In Army

Carl X. Blomberg, who was inducted for army service at Camp Grant, Illinois, on Dec. 3, is now undergoing his basic training at Fort Benjamin Harrison, Indiana, after which he will begin nine weeks of schooling in the Finance School.

Private Blomberg was identified with trading on La Salle Street for the past 20 years, his most recent association being with E. W. Thomas and Co., Inc. He is a director of the Bond Traders Club of Chicago and served in the heavy artillery of the Army in the last war. He is 43 years of age and his friends may write him by addressing him at Co. A—1st Fin. Tr. Bu.—Group 11—Platoon 4, Fort Benjamin Harrison, Ind.

Freeman In New Location

Freeman & Company announce the removal of their offices to 61 Broadway, New York City. The firm's telephone number, Whitehall 4-3340, remains unchanged.

Forty Wall Street Building
New York City
Illustrated Analysis on request
Seligman, Lubetkin & Co.
Incorporated
Members New York Security Dealers Association
41 Broad Street New York
Telephone HAnover 2-2100 Teletype NY 1-592

REAL ESTATE SECURITIES

1942 RETROSPECT

One of the highlights of real estate securities during 1942 was the Hotel Bonds.

In March, the entire issue of the Hotel Syracuse was called at 104. . . . The bonds of the Beacon Hotel made their first interest payment in eight years in April of this year. . . . The Pierrepont Hotel paid interest at the rate of 4% compared with 3½% in 1941 and 3% in previous years. . . . The Drake Hotel paid 4% interest compared with 3% in 1941. . . . The Dorset Hotel made interest distribution in excess of fixed interest requirement. . . . After being in default since 1931 the Greystone Hotel was sold and the bonds settled at 24% . . . they sold as low as 13 this year. . . . The stockholders of the Victoria Hotel received $12 per share in dividends compared with $9 a share last year. Governor Clinton Hotel reported an 850% increase in net earnings after all interest charges.

A report issued by a prominent firm of Hotel Auditors showed that occupancy, room rates, food and beverage sales of the representative transient hotels in the City of New York were at their peak for the past ten years.

All of these figures are now considerably higher than those of the World's Fair era . . . yet the rise in prices of Hotel securities during 1942 finds these prices far below the prices of the bonds during the Worlds Fair. Comparing November, 1938, prices of several hotel bonds with current market quotations, we find that the Governor Clinton Hotel and the Lexington Hotel bonds are now selling 8½ points lower. The Park Central Hotel bonds 21 points lower, the St. George Hotel bonds 8 points lower and the bonds of the Waldorf Astoria Hotel 20¾ points lower!

During 1942, the cumulative interest arrears were cleaned up on the debentures of the Hotel Lexington. They also operated their initial sinking fund of the first mortgage and debenture bond issues this year.

Another hotel to clean up arrears on their debenture bonds was the Hotel St. George. . . . They also operated their initial sinking fund on their first mortgage bonds and retired $371,000 face amount of bonds. Interest is being earned on these first mortgage bonds 1¾ times and the bonds can still be purchased to yield over 8%. One factor, we believe, that is keeping the price of these bonds down is the totally unconfirmed rumor that the hotel might some day be taken over for Government use and occupancy.

How wrong this trend of thought can be, is illustrated by the experience of the bondholders of the Stevens Hotel in Chicago. . . . When the Government first took that property for military use in July of this year the news was considered bearish and the bid for the bonds dropped from 56 to 51. On December 12, this year, the purchase of the hotel by the Government was announced. Settlement of the bonds (with the stock they carry) is estimated at 106%, if the bondholders approve the sale. Bonds are currently quoted 95-96½!

TRADING MARKETS IN
REAL ESTATE
SECURITIES
★ ★ ★
SHASKAN & CO.
Members New York Stock Exchange
40 EXCHANGE PL., N.Y. DIGBY 4-4950
Bell Teletype NY 1-953

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS.—**David C. Carpenter** has been added to the staff of **Tucker, Anthony & Company**, 74 State Street.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Thomas J. Pillion** has become associated with **Webber-Simpson & Co.,** 208 South La Salle Street. Mr. Pillion was for many years with Ryan-Nichols & Co. and its predecessors and prior thereto was with Jansen & Co. and Fischer, Schmick & Watts.

(Special to The Financial Chronicle)

MIAMI BEACH, FLA.—**William H. Bryan** is now with **Blair F. Claybaugh & Co.,** 420 Lincoln Road.

(Special to The Financial Chronicle)

TOPEKA, KANS.—**William F. Oderman** is now affiliated with **Seltsam & Company, Inc.,** 204 West Sixth Street. Mr. Oderman was formerly with Elmore-Heath & Co. and its predecessor, Elmore, Hurt & Co.

Survey Shows Large Numbers Of Newspaper Readers Are Interested In Financial Pages

Challenging an oft-repeated fallacy that only 4 or 5% of a general newspaper's readers ever look inside the financial pages, a test made last month in Lancaster, Pa., revealed quite a different situation, according to an article appearing in the December issue of "The Exchange," monthly publication of the New York Stock Exchange. It is stated therein that "instead of the off-hand figure, as mentioned, personal, painstaking interviews with individual newspaper readers of upper-grade or middle-grade incomes in that manufacturing and residential city showed that—

"Forty-nine per cent read local financial pages; one-third read them daily, the other two-thirds from three to four times a week to several times a month.

"Thirty-three per cent desired and regularly read prices of securities listed on the New York Stock Exchange."

The publication goes on to say: "Furthermore, 75% of those who professed no personal interest in securities prices held that daily prices were desirable for Lancaster newspaper readers.

"Lancaster was selected for the test by The Psychological Corporation, 522 Fifth Avenue, New York, as a representative city, containing a variety of industries and centering in a prosperous agricultural territory. It is served by two daily newspapers—'The New Era,' an evening publication, and 'The Intelligencer Journal,' issued in the morning. The city's population, according to the last Census, was 61,345 (it is somewhat larger now), and local newspapers serve an area containing well over 100,000 people."

Excerpts of The Psychological Corporation's report present additional details, as follows:

"The interviewing of 292 residents of Lancaster was conducted by 15 advanced students of Prof. Paul L. Whitely, of Franklin and Marshall College (the institution is located at Lancaster). Each interviewer was assigned to work in a section of the city, so that all sections were covered except the very poorest. No more than three interviews were conducted in any one city block in order to obtain a representative coverage of the city.

". . . In all probability, the large proportion of financial page readers reflects a widespread interest in current business and industrial trends. The financial pages and the Exchange quotations, both, receive considerable more attention from men and from those individuals in the upper middle-class, than from women and members of the lower middle-class.

"In an analysis of the degree of satisfaction with the informational content of security lists manifested by 95 regular readers of these quotations, it was found that 51% were satisfied, 40% dissatisfied, while 9% had no opinion on the subject. Further analysis of the 38 dissatisfied readers indicates that a third of them supplemented the available price lists with additional information from other sources, viz., out-of-city newspapers, radio, etc.

"Individuals in Lancaster are aware that the stock market anticipates fluctuations in business, industrial, and banking conditions. The regular readers of the stock market quotations, representing 33% of the persons interviewed, gave the following reasons for readership of market prices; securities ownership or a desire to keep track of stock fluctuations, and the determination of business trends.

"Reasons given for regular readership of market prices reflects, in general, a desire on the part of those individuals to watch price fluctuations closely."

C. G. Troup & Co., Chgo. & NY Exch. Firm

CHICAGO, ILL.—Effective Jan. 2, Clarence G. Troup & Co., members of the New York and Chicago Stock Exchanges, will be formed with offices at 231 South La Salle Street, Chicago and 11 Wall Street, New York City.

Partners in the new firm will be Clarence G. Troup, member of the Chicago Exchange, and John F. Brennan, New York Stock Exchange member. Mr. Troup was formerly a partner in Lamborn, Troup & Co., which was dissolved as of Dec. 31. Mr. Brennan was active as an individual floor broker and recently was a partner in Richard J. Buck & Co.

SEC Accounting Opinion On Financial Statements

The Securities and Exchange Commission issued on Dec. 22 an opinion in its Accounting Series dealing with certain accounting aspects of the recent amendments to Forms 10-K and N-30A-1, the principal annual reporting forms under Section 13 of the Securities Exchange Act. In its advices the Commission said:

"These amendments, which were adopted in connection with recent revisions of the rules governing proxy solicitations, permit companies to file copies of their regular annual reports to stockholders in place of certain of the financial statements required to be filed by such forms, if the financial statements included in the annual report to stockholders substantially conform to the requirements of Regulation S-X, the underlying accounting regulation of the Commission. The opinion, prepared by William W. Werntz, Chief Accountant, indicates that while the financial statements included in reports to stockholders are frequently somewhat more condensed than those filed in accordance with the requirements of those forms and Regulation S-X, such condensation, if limited to the grouping of items that are not substantial in amount or otherwise material because of their particular origin or nature, would not prevent the filing of such financial statements in place of those required by the instructions."

President Has Signed Mexican Claims Bill

President Roosevelt signed on Dec. 19 the legislation establishing a commission to settle claims of American nationals against Mexico.

The claims will come out of a $40,000,000 fund which the Mexican government is paying in installments under an agreement concluded in November, 1941. The claims of Americans involve so-called general and agrarian claims but do not cover those arising from Mexico's expropriation of petroleum properties in 1938. Under the measure a three-man commission will be appointed by the President, subject to Senate confirmation, to adjudicate claims.

Mexico has already paid $8,500,000 to the $40,000,000 fund, with the balance to be liquidated over a period of years at an annual rate of $2,500,000.

The legislation passed the Senate on Oct. 1 and the House, in amended form, on Nov. 24. Differences in the two bills were worked out by a conference committee and their report was adopted on Dec. 8 by the Senate and House, thus completing Congressional action.

Passage of the bill by the House was referred to in these columns Dec. 17, page 2168.

Delaware & Hudson

Corporations confronted by important maturities while the resources of the country are so completely absorbed in financing the most costly of all wars must necessarily deal with their problems of financing upon a thoroughly realistic basis. Fortunately, the adoption by Congress of the McLaughlin Act has opened the door to such treatment, where fundamental solvency is beyond question, and for the rest there must be reliance upon the common sense and, as we might well add, the decent intentions of American investors. The Delaware and Hudson Company, on account of the May 1, 1943, maturity of the whole outstanding portion of the issue under its first and refunding mortgage, amounting in the aggregate to $47,769,000, happened to be in that situation. Inevitably, there has been a lively curiosity as to the proposals which would be forthcoming. They were announced last week, immediately after the meeting of the Board of Managers held on Tuesday, and as promptly as practicable after the necessary Federal legislation had made definite action warrantable.

No scaling of the obligation, either as to the amount of the principal or of interest to be paid, and no postponement of any date for any payment of interest is sought. All that is proposed is that, in consideration of payment upon consummation of the agreement of one-tenth of the principal and other concessions materially augmenting the security, the payment of the remaining nine-tenths of principal be delayed until May 1, 1963, interest on the balance meanwhile to be regularly paid at the full four per cent rate provided in the mortgage, which has never been in default. Chief among the concessions favorable to the security is provision for a supplementary sinking fund, additional to and not in substitution for the present sinking fund, to which will be dedicated two-thirds of all net income from the system's railroads and additional sums equivalent to any dividends which may be paid, although in any case such dividends may not exceed one-sixth of such railroad net. Funds in this supplementary sinking fund are to be regularly applied to the purchase of the bonds in the market, or to the redemption of bonds called by lot, until the outstanding issue has been reduced to $25,000,000, after which the annual payments to this special fund may be reduced to $500,000. Before May 1, 1948, the Company agrees also to sell for cash investments having a current market value of $5,324,000, paying half the proceeds into the same supplementary sinking fund. In addition, other corporate assets, including owned and hereafter acquired shares of the capital stock of the important railroads held under perpetual leases, are to be subjected to the mortgage debt. There are other provisions very favorable to the security but those cited are the most significant and suffice to show that the plan is liberal in all its essentials, going as far as practicable towards recognition of the extreme letter of the obligation, which a great war following close upon an unparalleled depression has made presently impossible of precise enforcement.

Delaware and Hudson's railroad revenues are running at an encouraging level and its operating ratio is among the lowest shown anywhere in the country. From Jan. 1, 1939, to Sept. 30, 1942, the aggregate revenues from railroad operations amounted to $120,231,294 with corresponding operating expenses of $81,281,416, showing a ratio for operations of 67.60% cent. The ratio for 1941 was 66.6% and for the first nine months of 1942 it was 65.0%. Had the adjustment plan now proposed been in operation during this period of three years and nine months the required payments out of income to the new additional and supplementary sinking fund would have amounted to at least $8,082,906. Not less than this sum would, therefore, have been devoted to the purchase, cancellation or retirement of the secured indebtedness. If the bonds had been purchased at 60, which is higher than any quotation of recent months, this would have meant reduction of the secured debt, after the cash payment of one-tenth of the now outstanding total, by as much as $13,471,510, that is to no more than $29,520,590, or within considerably less than $5,000,000 of the proposed maximum of $25,000,000. Obviously, with continuance of investment conditions not less favorable than those now existing, the operation would result in substantial enhancement of the market price of the issue directly affected. Thus under the plan proposed, no bondholder would surrender anything really substantial out of the principal of his present investment, or in his contractual income therefrom, or in the market value of his holdings, while the position of the corporation would be materially and permanently strengthened by its successful consummation.

The action of the holders of these bonds, to the extent that formal acquiescence is required as a pre-requisite to its success, will be awaited with confidence and profound interest. Failure, in the present condition of public and private finance throughout the United States, would be a calamity, by no means confined to the corporate and private interests directly concerned. Fortunately, no such unfavorable result is to be anticipated.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Dec. 28 that tenders for $600,000,000 of 91-day Treasury bills to be dated Dec. 30, 1942, and to mature March 31, 1943, which were offered on Dec. 24, were opened at the Federal Reserve banks on Dec. 28.

Details of the issue follow:

Total applied for, $930,278,000.

Total accepted, $602,950,000.

Range of accepted bids (excepting two tenders totaling $157,000,000):

High, 99.931; equivalent rate of discount approximately 0.273% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.908; equivalent rate of discount approximately 0.365% per annum.

(12% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 30 in amount of $401,288,000.

S. J. Straus Dies

Samuel J. Tilden Straus died at his home in Chicago after a heart attack. Mr. Straus for many years was senior vice-president of S. W. Straus & Co., a former banking firm with offices in many cities.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1. 1939, to date: high—44; low—14¾; Dec. 30 price—40.

Defaulted Railroad Bonds

PFLUGFELDER, BAMPTON & RUST
Members New York Stock Exchange
61 Broadway New York
Telephone—DIgby 4-4933 *Bell Teletype*—NY 1-310
RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Great Northern preferred, which has been one of the poorest acting of the better grade rail equities for over two years (ever since the disappointment over the 1940 year-end dividend, has begun to show signs of life in recent trading sessions. It is still hovering close to the 1942 low, but there has been some expansion in buying interest. Many rail men are of the opinion that the market may finally be going to give recognition to the admittedly strong long term traffic position of the property and the vast improvement in its debt structure in recent years. It is hardly conceivable that investors will permanently ignore the favorable implications of these developments.

We maintain net trading markets in most of the medium-priced Rail Bonds, particularly obligations of
New York Central
Illinois Central
Lackawanna
Lehigh Valley
Southern Pacific, etc.
We are generally able to offer registered bonds of these roads at substantial concessions from current coupon bond market.
LEROY A. STRASBURGER & CO.
1 WALL STREET, NEW YORK
WHitehall 3-3450 Teletype: NY 1-2050

At current levels the stock is selling only about two times indicated 1942 earnings to afford a return of nearly 10% on the basis of the dividend rate maintained during the past two years. While it is generally expected that the management will hesitate to increase the rate of distribution in the face of the still substantial 1946 maturity problem, there is certainly ample cause for confidence that the recent $1.00 semi-annual rate can be continued over the visible future at least.

There are two highly important aspects of the Great Northern picture. In the first place, it is one of the few major railroads in the northwestern region that has escaped necessitous reorganization, and the only one to maintain a good credit. Secondly, the Great Northern management was one of the first in the industry to recognize the absolute necessity of reducing fixed interest charges if solvency were to be maintained. Except for those properties that have undergone reorganization Great Northern has realized the sharpest reduction in fixed charges among the major carriers. From 1934 to the end of 1941 charges had been reduced from $19,572,165 to $13,800,000.

The road benefitted substantially from the ability to accomplish major lower coupon refunding (particularly replacing the General 7s with Convertible 4s in 1936), and also followed a practice of meeting as large a proportion of maturing bonds as was possible from treasury cash. Full details of the 1942 debt retirement have not been released but approximately $14,000,000 of General 4s, 1946, were accepted on tenders this month and altogether it seems likely that at least $20,000,000 to $22,000,000 face value of bonds have been retired. On this basis it may be assumed that annual charges are now $12,900,000, or less, representing a cut of approximately 35% from the 1934 level. The saving is equivalent to more than $2.60 a share on the stock.

The one uncertainty in the Great Northern picture has been the large 1946 maturity of the Series "G" and Series "H" Convertible 4s which were outstanding in the amount of $97,402,000 as of the end of 1941. The company is concentrating its debt retirement on this problem, which has probably been reduced to around $75,000,000 in 1942. Continuation of the high rate of earnings, which appears assured through 1943 at least, should allow reduction of this liability to about $50,000,000. This would presumably not be an impossible refunding operation if the worst came, particularly as total fixed charges would by then be around the $11,500,000 level.

It is also pertinent that the systematic reduction of charges, and easing of the 1946 maturity problem, enhances the position of the stock and improves the ultimate possibility of meeting a substantial share of the 1946 problem through conversion of at least the Series "G" bonds. The Series "G" bonds are convertible into the stock at $40 a share.

Great Northern's present charges would have been covered in full in every year of the depression decade except for 1932, even if adjustment is made to eliminate dividends paid in excess of earnings by the jointly owned Burlington in some years. Moreover, earnings on the stock would have been in excess of $1.00 a share in every year but 1932. In six of the ten years earnings would have topped $4.00 a share, with a high of $7.12 indicated for 1941.

The better-than-average performance of the road in practically all years may be traced to the unusual diversity of interests for a northwestern carrier, and the relatively invulnerability of important traffic items to competitive inroads. Wheat, forest products and iron ore are the most important items, averaging more than 40% of all freight revenues. Iron ore alone consistently runs about 18% to 20% of the total. Thus the road has an important stake in the heavy industries as a compensating factor against changing year-to-year agricultural conditions. Also, tributary territory has been expanded through connection with Western Pacific in northern California. Finally, the Government's power developments in the Pacific Northwest have opened up new traffic sources through industrial development and irrigation of potentially important new farm lands.

In large measure the new traffic sources have compensated for what diversion to competing transportation agencies there has been in the miscellaneous categories of the company's freight. There are permanent considerations and support confidence that the road will continue to display better-than-average trends in the post-war years. Also important from the point of view of the stockholders is that Great Northern's labor costs in relation to gross are lower than for practically any other major carrier with the exception of the large bituminous coal roads. Thus, agitation for increased wages is relatively a minor factor.

As brokers we invite inquiries on blocks or odd lots of
HIGHEST GRADE RAILS
We also maintain net markets in
SEABOARD
AIR LINE
1st 4s, 1950
Refunding 4s, 1959
l. h. rothchild & co.
specialists in rails
11 wall street n. y. c.
HAnover 2-9175 Tele. NY 1-1293

AMERICAN MADE
MARKETS IN
CANADIAN
SECURITIES

CANADIAN STOCKS
Abitibi Pwr. & Pap. com. & pfd.
Algoma Steel Corp. com. & pfd.
Andian Nat'l Corp. Ltd.
Asbestos Corp. Ltd.
Bell Tel. Co. of Canada
Brown Company com. & pfd.
Bulolo Gold Dredging
Canadian Bank Stocks
Canadian Indus. A. B. & pfd.
Canadian Investment Fund
Canadian Pacific Railway
Crow's Nest Pass Coal Co., Ltd.
Distillers Seagrams Ltd.
Electrolux Corp.
Fanny Farmer Ltd.
Halifax Insurance Co.
Imperial Oil Ltd.
Kerr Addison Gold Mines, Ltd.
Lake Shore Mines
Minnesota & Ontario Pap. com.
Montreal Refrig. & Stor. Ltd.
Moore Corporation Ltd.
Noranda Mines Ltd.
Pend Orielle Mines
Shawinigan Water & Power Co.
Steel Co. of Canada Ltd.
Sun Life Assurance
Winnipeg Elec. com. & pfd.

CANADIAN BONDS
Abitibi Pow. & Paper 5s, 1953
Aldred Investment 4½s, 1967
Brown Company 5s, 1959
Canadian Pac. Ry. (var. issues)
Internat'l Hydro Elec. 6s, 1944
Montreal Lt. Ht. & Pwr. 3½s, 1956-73
Quebec Power 4s, 1962
Shawinigan Water & Power, 4s, 1961

HART SMITH & CO.
52 WILLIAM ST., N. Y. HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

Specializing in
SEABOARD AIR LINE RAILWAY COMPANY
Bought — Sold — Quoted
Information upon request
VAN TUYL & ABBE
72 WALL STREET
NEW YORK

Fireman's Fund
(New)
National Fire Ins.
National Union Fire Ins.
A. M. Kidder & Co.
Members New York Stock Exchange and other leading exchanges
1 WALL ST. NEW YORK
Telephone Digby 4-2525

Bank and Insurance Stocks
Inquiries invited in all Unlisted Issues
Laird, Bissell & Meeds
Members New York Stock Exchange
120 BROADWAY, NEW YORK CITY
Telephone: BArclay 7-3500
Bell Teletype—NY 1-1248-49
(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Bank Stocks

By H. A. LEGGETT

For the banking institutions of the nation, as for the rest of us, 1942 was indeed an eventful year. It was a year of readjustment and preparation for the struggle that lies ahead. It was a year in which the various elements of our loosely-knit society began to grasp, for the first time, their complete inter-dependence and the necessity for "team-work" such as we have never before employed. Gradually each of these elements is being assigned to its post of duty and schooled in the role which it is expected to perform.

In general things are tougher, but a lot clearer, than they were a year ago. At that time, just subsequent to Pearl Harbor, confusion and disorganization were the order of the day. We have not yet, by any means, built a smooth-running war machine but we have come a long way since Pearl Harbor. A year ago we were only ankle-deep in the war, in fact, our feet were scarcely wet. We are now, perhaps, in it up to our respective waists. Sometime in 1943 we should be well up to our necks—and then we are going to start swimming, or else.

Although the shipbuilders, airplane manufacturers and tank makers get most of the headlines (and deserve all they get), the Banking Industry has done an equally remarkable job. As a matter of fact, in some ways its task has been more difficult because it has not enjoyed the immunity to personal losses which the others have had. Not being rated an "essential" industry, key officers have been commandeered by the dozen and staff employees by the hundred, have been drafted for military or other war service. In many cases, 20% or more of the regular operating personnel has "gone to war," and anyone who is familiar with the intricate and highly specialized nature of a bank's mechanism knows what this means.

Under such conditions, little wonder that the employment manager of a bank is now regarded as its most important officer. It has been necessary to select, and train, hundreds of women and girls and young boys to fill the jobs previously handled by men. This in itself has been a major command of mobilization and organization because, for the most part, those who have gone were experienced and highly capable cogs in the machine. Furthermore, the banking business is more active than at any time in the past decade. Not only do depositors have more money than ever before but they turn it over more rapidly and, in addition, the banks are obliged to handle or participate in more "extra-curricular" activities than is the case in more normal times.

Bank and Insurance Stocks

Frederic H. Hatch & Co.
Incorporated
63 Wall Street New York, N. Y.
Bell Teletype NY 1-897

Thus "banker's hours" no longer mean what they once did. Any conscientious banker today would regard a 40-hour week as sheer loafing. Most of them, both literally and figuratively, have their coats off and are handling routine work in their own organizations which they have not had to do personally since they were clerks or junior officers. All this may be good for the bankers and good for the banks, because, in some cases at least, high officers had become so long and so far removed from the counting-rooms that they had forgotten how to oil the machinery and make repairs.

The history of banking, in wartime, has been a glorious record of useful service and patriotism beyond the call of duty. This war will be no exception. Bankers, more than most other citizens, realize what war means and what sacrifices are needed to conduct one successfully. Furthermore, they have a keen appreciation of what it would mean to lose. The banking industry, therefore, is already in the "front-line trenches" and is prepared to stay there for the duration.

In converting to a war economy the banks recognize that their primary job is to raise the money. In this instance, it means money on a scale such as no economist or banker has heretofore dreamed of. The banks know that they cannot do it alone and that they must enlist the support of the entire population. This they are endeavoring to do—with considerable success. The banks and the Treasury Department, working together diligently and harmoniously, have thus far performed miracles along the line of public participation in the war financing.

Meanwhile, the banks themselves are taking on an unprecedented volume of Government Bonds. Their V-loans and other types of war credit are also rising rapidly. Ordinary commercial loans, of course, have declined and may ultimately reach the vanishing point. However, the net result has been a steep advance in "earning assets" and a corresponding increase in gross income. Net income, despite higher expense and taxes, is also running at a higher level than for several years.

The banking industry was hit far less hard by the new Tax Bill than appeared likely last spring. This was due to the fact that corporation surtax rates were raised only to 16% instead of to 31% as originally proposed. Most banks are relatively sheltered in respect to the Normal Tax and the Excess Profits Tax but not so in respect to the Surtax. One specific tax advantage incorporated in the 1942 Revenue Act, applying only to banks, is the option to deduct bond losses (i.e., capital losses) from ordinary income. This provision will permit of substantial tax savings on the part of the banks.

The banking business has thus far demonstrated that it can be regarded as one of the so-called "Transition Industries," of which we now hear a great deal. Apparently, a transition industry is one which is not purely a "War Baby" nor, on the other hand, largely a "War Orphan" and which can convert from peace to war and back again with a minimum of lost motion and expense. The Banking Industry would appear to qualify as one of the most flexible and protected in making these transitions and, all things considered, occupies a particularly essential place in the present scheme of things. Bank Stocks, therefore, would seem to constitute very suitable "middle-of-the-road" investments for those who do not wish to commit themselves in regard to the war vs. peace argument.

As We End 1942

(Continued from page 2315)

controlled up to now. And if the effectiveness of these two policies is to be in part cancelled out or diluted, inflation conditions may develop almost before we know it. This, in our opinion, is one of the key domestic factors to keep under constant scrutiny.

Finally, if we may look ahead to the war's end, we would like to make the point that so many of us are prone to forget, namely, that sweeping, world-wide wars bring about profound world-wide changes. The individual who believes that at the war's end we are going to return to the days of the 1930s is likely to be fantastically wrong. Many Americans, for example, felt that the New Deal was a temporary and highly personalized political development, and that when it ended we would return to the conditions of the 1920s. Few believe that today. For there is no going back. And the war's end inevitably will mean far more than the restoration of peace. It may well usher in substantial changes in the familiar economic pattern to which many of us have become accustomed and attached. It is a world of transition that we are living in, and he who most thoroughly realzies this will be best qualified to make adjustments and least likely to be tortured by the agonies of change.

For change will not end with the coming of peace. We heard a well-known newspaper commentator the other night use the phrase, "The war will last beyond the duration." This is an apt way of indicating that our dynamic world is not suddenly going to become static when the Fascists are conquered.

An Investment Policy For the Current Period

Up to a few months ago we were advising investors that they maintain a "fifty-fifty" ratio; half of their capital in cash, Governments and high-grade corporate bonds and the balance in carefully selected equities. Recently, however, we have suggested a nominal modification; namely, that 60% of an investor's capital can perhaps wisely be concentrated in selected equities and the balance in cash, Governments and high-grades. Beyond this we would not go at this time. For it seems to us that 40% of an investor's capital in sheltered categories provides the type of bulwark that one surely needs in a rapidly changing world.

It is of the utmost importance, moreover, that the equity portion of an investor's list shall be selected with great care. For it must attempt to provide planned protection in case inflation does lie ahead, and it must place due emphasis on growth industries and growth companies.

Generally speaking, it is important to realize that despite the rise in equity prices from the lows of 1942 the market is ending the year at compartively sub-normal levels. And on this score a look at the Dow Jones industrial averages is illuminating.

In 1935 the Dow Jones industrial averages ended the year at 144, in 1936 at 180; in 1937, 121; 1938, 154; 1939, 150, and 1940, 131. A year ago, at the end of 1941, this index was at 111; it is closing this year at about 118-120. Accordingly it will be seen that while stocks are up about 9% from a year ago, they are nevertheless finishing the year at levels well below the previous year-end closing figures of the entire 1935-1940 six-year period. (We make this point because so frequently investors show hesitancy on the score of purchasing equities because in their mind's eye is the contrast of today's level with the lows of last spring).

As to what equities should and should not be in an investor's list every adviser has preferences and prejudices. In our view we would place the greatest emphasis on oils, chemicals, rubber, motors and airlines, for leading and standard companies in these groups in the altogether should provide inflation protection and participation in growth industries. Moreover, well-selected equities in these groups should present no insuperable problems at the war's end, for no leading companies in these fields should experience too much difficulty in making the future transition to peace. (The foregoing list is given preference, but we are not attempting to say that other groups are not worthy of consideration. On the contrary, the shares of oil drilling companies, carefully selected receivership rail bonds, rail equipment equities, building stocks, and so on, in many instances possess substantial merit).

Many other phases surrounding the investment problem remain to be discussed. . . . All an investor can hope to do, it seems to us, is to have his list properly proportioned and well designed.

DIVIDEND NOTICES

PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 108

A cash dividend declared by the Board of Directors on December 16, 1942, for the quarter ending December 31, 1942, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on January 15, 1943, to shareholders of record at the close of business on December 31, 1942. The Transfer Books will not be closed.

D. H. FOOTE, *Secretary-Treasurer*

San Francisco, California.

Electric Bond and Share Company

$6 and $5 Preferred Stock Dividends

The regular quarterly dividends of $1.50 per share on the $6 Preferred Stock and $1.25 per share on the $5 Preferred Stock of the Company have been declared for payment February 1, 1943, to the stockholders of record at the close of business January 6, 1943.

L. B. WIEGERS, *Treasurer.*

CANCO AMERICAN CAN COMPANY

COMMON STOCK

On December 29th, 1942 a quarterly dividend of seventy-five cents per share was declared on the Common Stock of this Company, payable February 15th, 1943, to Stockholders of record at the close of business January 21, 1943. Transfer books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

For the year ahead will probably provide just as many surprises as have occurred in 1942, and an investment list must be of a nature to minimize the unfavorable effects of bad news and to permit participation in the benefits of good news.—*Ralph E. Samuel & Co.*

Seaboard All-Florida No Black Sheep

In a study of the Seaboard All-Florida Railroad, just issued by L. H. Rothchild & Co., 11 Wall Street, New York City, it is stated that the All-Florida line has a very definite place in the scheme of Southern railroads and has proved that it is invaluable to the public. Traffic factors affecting the road are favorable and its physical condition is excellent. Copies of the analysis containing many interesting details may be had upon request from L. H. Rothchild & Co.

Notice to the Holders of:

Kingdom of Denmark

Twenty Year 6% External Gold Bonds. Due January 1, 1942
Thirty-Year 5½% External Loan Gold Bonds. Due August 1, 1955
Thirty-Four Year 4½% External Loan Gold Bonds. Due April 15, 1962

City of Copenhagen

Twenty-Five Year 5% Gold Bonds. Due June 1, 1952
Twenty-Five Year 4½% Gold Bonds. Due May 1, 1953

Danish Consolidated Municipal Loan

Thirty-Year 5½% External Sinking Fund Gold Bonds. Due November 1, 1955
Twenty-five Year 5% External Gold Bonds. Due February 1, 1953

Mortgage Bank of the Kingdom of Denmark

(Kongeriget Danmarks Hypotekbank)
Forty-five Year 5% Sinking Fund External Gold Bonds Series IX, of 1927
Due December 1, 1972

The undersigned Minister of Denmark in Washington makes the following statement for the information of bondholders of the above-described issues:

Arrangements have been made whereby, until further notice, interest for the six-months' period ended December 31, 1942, on bonds of the above-named Kingdom of Denmark 6% Loan will be paid to holders, other than residents of Denmark, at the rate of 6% per annum on the principal amount. In the absence of coupons covering this payment, bonds should be transmitted at the owner's risk and expense direct (or through a local bank) to the Fiscal Agent, The National City Bank of New York, Coupon-Paying Department, 20 Exchange Place, New York, N. Y. Each of the bonds will be stamped with the notation that the holder thereof acknowledges receipt in full of all moneys due or payable on account of interest on the principal amount for the six-months' period ended December 31, 1942. Thereupon the bonds will be returned, by Registered Mail insured, at the owner's risk and expense, together with remittance for interest (less shipping-expenses).

Bonds presented to the Fiscal Agent for this payment must be accompanied by an appropriate Letter of Transmittal, a supply of which may be obtained at the office of the Fiscal Agent.

The interest payment referred to will be subject to such licences as may be granted to the Fiscal Agent by the United States Treasury.

In conformity with my announcement of November 18, 1942, I purpose to make subsequent announcements with a view to keeping bondholders informed of further developments relating to the above-described loans.

HENRIK KAUFFMANN
Envoy Extraordinary and Minister Plenipotentiary
of His Majesty the King of Denmark

Washington, D. C., December 30, 1942.

The Securities Salesman's Corner

A BARKING DOG NEVER BITES!

It's been quite a while since we've carried a little piece dealing with "sales psychology" or a "sales problem" regarding the always present "human element," in this column. Selling securities consists of so much more than just "knowing securities" and seeing people. Knowing "people" is also an important part of securities salesmanship—that is if you ever are to get the maximum rewards from this job.

So here goes. . . . Several weeks ago one of our salesman friends was given a lead by his office. The prospect lived in an adjacent suburb of New York City. The trip to see him meant both train and bus had to be used, and a trip of several hours was necessary to make this call. The prospect had called the office on the phone in reply to a mailing and he was the owner of several bonds he said he wished to sell. The lead looked worthwhile, although the salesman did not know anything more regarding his prospect than that he held a few bonds—no pre-call information was available in this instance.

The salesman arrived at the residence of this prospect about four in the afternoon. It so happened he was not at home. The day was cold and wintry and in addition the prospect's wife, who had a bad cold, wouldn't open the door, but talked through the storm door on the porch. Our salesman, realizing he had made a long trip, told the wife he would call back about 6:30, and she said this would be agreeable. He spent the next two hours waiting and filling in time reading, and having his supper.

At the appointed time our salesman appeared again at this prospect's front door. No one answered his ring, the house was dark. Undaunted, and by this time determined to play the string out to the bitter end, the salesman went to the back of the house. There he saw a light in the kitchen and his prospect was busily tossing his supper in and out of a frying pan. The salesman rapped on the back door. He was greeted, apron and all, by the disgruntled cook. By this time, you no doubt get the picture—sick wife upstairs, husband frying his own eggs, cold night, and bad temper.

"Why in hell didn't you telephone for an appointment, instead of barging in like this?" said our irate prospect. The salesman, by this time, was plenty sore himself. Two-hour trip, two and-a-half-hour wait, the day all shot to pieces; but he took the right road. Sizing up the situation, he replied: "You're right, I am sorry as hell, I guess I am all wrong. But how about it, I want to see you if only for a few minutes." The ire on the other side went down just a trifle. "Well, O.K., come in around the front, but make it snappy," said Mr. Frying Pan.

Once inside the house, the salesman told the prospect briefly that he would pay him a certain price for his bonds. "Not enough," was the answer. "Now you'll have to excuse me, but you've said your say, and since I've got to go out tonight, we'll have to call this to an end for this time." The salesman took one more shot in the dark and it worked. "You know," he said to the impatient cook, "if you don't mind a suggestion, I think you ought to hold on to those bonds and not sell them." This time he got a reaction. "Why not?" said the prospect. "Well, Mr. Smith, I strongly believe they are eventually going to be worth more money than even the figure you are asking for them. You see, we've made a real study of this situation and frankly we wouldn't be so pleased to buy these bonds if we didn't like them ourselves. Of course we are dealers in bonds, and if any one wants to sell that's our business, but, after all, we are more interested in making friends than just buying a couple of bonds."

This broke the ice. In a few minutes our salesman was in the kitchen and he even had a sample of our prospect's coffee. Other issues this prospect held he discussed with eagerness. He even apologized for his rude behavior and gave the salesman several issues to check up and report back upon. Here knowledge of security values on the part of the salesman made a strongly favorable impression.

The result of the interview was that eventually several weeks later the bonds this client held were exchanged into another issue of the same company, which on a statistical basis made a definite improvement in his holding. Two other issues were sold and another put in their place. Customer, commissions, friendship and confidence. Plus a cup of coffee! That's something nowadays, too.

NYSE Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Buchanan Houston, general partner in H. T. Carey, Joost & Patrick, New York City, will become a limited partner on Jan. 1, 1943.

Edward H. Kent will retire from partnership in Green, Ellis & Anderson, New York City, as of today. Mr. Kent made his headquarters in the firm's Wilkes-Barre, Pa., office.

Reginald G. Baxter will retire from partnership in Frazier Jelke & Co., New York City, as of today. Mr. Baxter made his headquarters in the firm's London, England, office.

James O'Donnell, Harold W. Frank, general partners, and George Douglass Debevoise, limited partner, will retire from Struthers & Dean, New York City, as of today.

J. Chester Hutchinson retires from partnership in Whitney & Elwell, Boston, Mass., as of today.

Henry D. Talbot retires from partnership in Byfield & Co., New York City, as of today.

Interest of the late Kenneth S. Beall in Cruttenden & Co., Chicago, Ill., ceased as of Nov. 12.

Approval of Louis J. Werner to act as alternate on the floor of the Exchange for David S. Cooper of Asiel & Co. was withdrawn on Dec. 18.

SEC Revises Regulations On Report Requirements

The Securities and Exchange Commission announced on Dec. 22 the adoption of amendments to Rules 3-01, 3-02, 5-02, 5-04, 12-06, 12-08 and 12-14 of Regulation S-X. The changes made are part of a comprehensive revision of the reporting requirements designed to facilitate the furnishing of information with a minimum burden and expense. The Commission's announcement said:

"The amendment to Rule 3-01 permits the statement in thousands of dollars of all amounts appearing in financial statements, thereby substantially reducing the size of the statements and the time required for their preparation in final form. The amendment to Rule 5-02 provides that no classification of inventories in contravention of the Code of Wartime Practices shall be required in the financial statements of companies engaged in the war effort. The amendments to Rules 3-02, 5-04, 12-06, 12-08 and 12-14 are designed to simplify and shorten the reports required to be filed by registrants by permitting under designated conditions the omission or partial omission of certain schedules."

Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£98,263,226

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1941	£150,939,354

SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea and London, it offers the most complete and efficient banking service to investors traders and travellers interested in these countries.

LONDON OFFICES:
29 Threadneedle Street, E. C.
47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

NATIONAL BANK of EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo

FULLY PAID CAPITAL	£3,000,000
RESERVE FUND	£3,000,000

LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the principal Towns in
EGYPT and the SUDAN

Insured Investment For Investors And Trustees

The St. Paul Federal Savings and Loan Association, 4 East Fourth Street, St. Paul, Minn., will be glad to send investors, trustees, and other fiduciaries interested in learning more about insured Federal Savings and Loan investments full particulars. Current dividend rate 3% annum.

"A Safer & Better Plan" For Investors & Trustees

The Atlanta Federal Savings & Loan Association, 22 Marietta Street, Atlanta, Ga., will be glad to send investors, trustees and other fiduciaries a copy of their free booklet, "A Safer and Better Plan," describing the advantages of investing in insured Federal Savings & Loan investments.

BOND SERIES
LOW-PRICED BOND SERIES
LOW-PRICED COMMON STOCK SERIES
NATIONAL SECURITIES SERIES
INCOME SERIES
PREFERRED STOCK SERIES
INTERNATIONAL SERIES

FIRST MUTUAL TRUST FUND

Prospectuses upon request

NATIONAL SECURITIES & RESEARCH CORPORATION
120 Broadway, New York

Investment Trusts

THE INDEX IS STILL UP!

Readers of this column may recall the discussion which appeared here last May 28 entitled, "A Turn In The Tide." At that time it was suggested that the long-awaited turn in the ebb tide of security prices had been reached. Although a number of respected "indicators" supporting this viewpoint were then cited, the most important single factor in this forecast was not divulged until later.

It was not until the issue of July 9 that this factor was mentioned. At that time, under the heading "Confirmation Of A Trend," we discussed the missing "indicator" in some detail and established the following points:

1. It consists of a series of mathematical formulas from which are derived a short-term and a longer term index of stock price trends.
2. The longer term index had turned up on April 28, 1942, for the first time in nearly a year.
3. Confirmation of the longer term upward trend had been given in the week of July 6, 1942.

Looking backward, this column can take a measure of satisfaction from having gotten these forecasts into print on the dates mentioned. However, we cannot take, nor do we claim, any credit for the surprising accuracy of the combined indexes which, for want of a better name, we shall call the Stock Price Trend Indicator. In fact, the financial gentleman who contrives this indicator clearly has no intention of revealing its nature or of making it generally available and we are greatly indebted to him for advising us of the changes when and as they occur.

As we prepare to enter the New Year, one hears so many conflicting opinions regarding the probable course of security prices in the immediate future that we thought our readers might be interested in learning the present position of the Stock Price Trend Indicator. Accordingly, we approached the aforesaid gentleman and received the following information:

1. The longer term index has remained in an upward trend since the turn on April 28, 1942. There is no present indication of it reversing itself in the immediate future.
2. The short-term index turned down in November and then reversed itself in the fore part of December (exact dates were not given). At present this index is also in an upward trend.

These indications are not in agreement with a large body of market opinion which anticipates a rather substantial decline in stock prices after the first of the year. When we pointed out this conflict to our friend, he replied that obviously every move had to come to an end some time and that each day his indicator pointed upward brought it just one day closer to the ultimate reversal.

But, he added, the indicator had given no sign of a reversal yet—and until it did he would remain long of selected stocks in spite of any and all "bodies of opinion."

In view of his record in the past, we consider this a rather cheerful note on which to enter 1943. Should an early reversal of the longer term indicator occur, readers of this column will be so advised.

* * *

We take this opportunity to extend to our readers in particular and to the investment company field in general Best Wishes for a **Victorious and Prosperous New Year!**

WELLINGTON WF FUND

Prospectus of this Mutual Investment Fund Available through your Investment Dealer or from

W. L. MORGAN & CO.
Packard Bldg., Philadelphia

Insured Investment With Liberal Return

The Danielson Federal Savings and Loan Association, 84 Main Street, Danielson, Conn., will be glad to send a booklet and full particulars on insured Federal Savings & Loan investments, which offer, the association declares, unusual opportunities for safety and liberal return on investment. Current dividend rate of 3% per annum.

Keystone Custodian Funds

BONDS	
Business Men's Investment Bond Fund	B1
Medium Priced Bond Fund	B2
Low Priced Bond Fund	B3
Speculative Bond Fund	B4
PREFERRED STOCKS	
Income Preferred Stock Fund	K1
Appreciation Preferred Stock Fund	K2
COMMON STOCKS	
Quality Common Stock Fund	S1
Income Common Stock Fund	S2
Appreciation Common Stock Fund	S3
Low Priced Common Stock Fund	S4

Prospectus may be obtained from your dealer or from

THE KEYSTONE CORP. OF BOSTON
50 CONGRESS STREET, BOSTON

Municipal News & Notes

The Bureau of the Census, Department of Commerce, in an analysis of State and local government indebtedness issued Dec. 28, reported that such indebtedness had declined $540,000,000, or 2.7%, in the fiscal year ended June 30, 1942. The amount outstanding on that date was estimated at $19,643,000,000. The Bureau calculated that the States and their subdivisions had reduced their aggregate debt by $42,000,000 in the preceding fiscal period and observed that the combined redemption effected in the past two years marked a substantial cancellation of the accumulative increase of $663,000,000 created between 1932 and 1940.

In connection with the Bureau's compilations it is to be noted that the volume of long-term borrowing completed by the States and their subdivisions during 1942 will be greatly below the output in the earlier year. Figures compiled by the "Chronicle" show that sales to and including the month of November amounted to only $505,431,074 as compared with $891,357,631 in the 11 months of 1941. Our totals, incidentally, do not include issues sold to the Reconstruction Finance Corporation or any other Federal agencies.

The 1942 total, it should be noted, includes $172,225,497 for refunding purposes, the volume of strictly new indebtedness being $333,205,577. The 11 months' grand aggregate in 1941 consisted of $475,282,249 new capital issues and $416,075,382 for refunding.

When allowance is made for the large amount of old issues retired each year (other than from the proceeds of refunding sales), it would appear that the reduction effected in the outstanding total of State and local debt for the entire year of 1942 may be greater than the $540,000,000 figure estimated by the census bureau for the fiscal year ending June 30, 1942. Estimates of yearly debt redemption, compiled for publication in the "State and Municipal Compendium," disclose that retirements have approximated $1,000,000,000 annually during the past several years.

California May Operate Golden Gate Bridge

Operation of the Golden Gate bridge by the State was advocated by Frank W. Clark, State Public Works Director, in a letter sent under date of Dec. 16 to Senator John F. Shelley, Chairman of a State Senate interim committee studying the project's financial status. Mr. Clark declared that Governor Olson favored the State-control proposal and stated that introduction of empowering legislation at the next session of the State legislature was contemplated. Press reports from San Francisco newspapers discussed the situation further as follows:

"Mr. Clark said the primary objective was to make the $35,000,000 span toll free as soon as possible. He also said the State should not be expected to contribute public funds for the benefit of those who have only a promotional financial interest in the deal.

"His letter expressed the belief that the State Highway Division could supervise, operate and maintain the bridge on a considerably lower toll pending the time when financial arrangements could be made to take care of outstanding bonds and the structure operated for public use free of tolls.

"The gloomy outlook on the bridge's finances, with a property assessment to liquidate revenue losses predicted unless some other form of relief was forthcoming, was given the Senate committee in the State building by Hugo D. Newhouse, President of the bridge district directorate.

"Loss of revenue has brought the crisis, Newhouse testified. And the greatest single factor in this loss is the United States Government—not the military, but 90-odd civilian agencies whose employes are riding too free at a cost of $450,000 in revenue per year.

"Newhouse and James E. Ricketts, bridge manager, made no effort to conceal their annoyance at the cut Federal agencies are taking out of revenue, even going to the point of charging—and describing 'chiseling' practices.

"Other revenue losses were attributed in a report filed with the committee to gasoline rationing and the resumption of ferry service to Marin County shipyards.

"What all the elements of revenue loss mean to the bridge was summed up by Newhouse in testimony that $34,800,000 still has to be paid on bridge indebtedness, and that $2,100,000 has to be set aside annually for interest, bond amortization and pay roll. Interest, alone, he said, amounts to $1,560,000 annually. Payments of $200,000 a year will be made on principal until 1946, when the amount will have to be increased to $400,000.

"The witness summed up:

"'We are looking for help, need it and we don't care where we get it.'"

Canada To Refund $100,000,000 Bonds

Morgan Stanley & Co., New York, will head a syndicate now being formed for a contemplated underwriting of an issue of $100,000,000 Dominion of Canada refunding bonds. Proceeds of the financing would be used in the redemption of a similar amount of 5s issued in 1922 and maturing May 1, 1952. The bonds became callable, as a whole but not in part, on May 1, 1942, on 60 days' notice at par and accrued interest. The outstanding issue bears the highest rate on any Dominion loan and was marketed in the United States in April, 1922, by a syndicate headed by J. P. Morgan & Co., New York, at an offering price of par. No date has been set for the offering of the refunding issue and it is understood that many details must still be completed.

Conn. Destroys $3,372,000 Of Matured, Retired Bonds

The State of Connecticut partially solved the problem of providing adequate heat for the Capitol Building recently and at the same time effected a further substantial cut in its outstanding funded debt. This development occurred on Dec. 21 when various State officials, including Governor Hurley and Deputy State Treasurer Thomas H. Judd, officiated at the burning in the Capitol furnace of $3,372,000 matured and retired State bonds. The burning of the bonds is required by law and the total included $2,100,000 which were purchased in the open market during 1942 by Deputy Treasurer Judd at an interest saving of $209,661 after payment of premiums. These purchases were made out of surplus funds transferred to the bond retirement fund. A large amount of money is still available for the same purpose. Mr. Judd said that as a result of retirements since 1939, only $16,035,000 of the original $25,000,000 building bonds remain outstanding.

VIRGINIA

Wire Bids on
VIRGINIA—WEST VIRGINIA
NORTH and SOUTH
CAROLINA
MUNICIPAL BONDS

F. W.
CRAIGIE & CO.
RICHMOND, VIRGINIA
Bell System Teletype: RH 83 & 84
Telephone 3-9137

Jersey City Pays Bonds Ahead of Due Date

Raymond M. Greer, City Comptroller, announced on Tuesday of this week that the city had purchased and cancelled $355,000 bonds which ordinarily would mature in 1943. The advance retirement was made possible by the indicated balance of more than $750,000 in unexpended appropriations which will exist after payment of all of the city's 1942 obligations in full. In addition to immediately reducing the outstanding debt by $355,000, the step also enabled the city to cancel the issuance of $579,000 3½% refunding bonds in 1943 as originally contemplated by the 1940 debt equalization program. By not issuing these bonds, which would have matured from 1955 to 1959 incl., the city avoided the payment of $254,905 in future interest charges. Despite the appropriation of free cash for the advance debt redemption, Comptroller Greer reported that the city will still have remaining an accumulated free cash surplus in excess of $6,500,000 at the end of 1942.

California Deregistration Law Held Unworkable

Leland M. Kaiser of Kaiser & Co., San Francisco, in his capacity as Vice-Chairman of the California Group, Investment Bankers Association, recently stated in a letter addressed to banks and bond houses in California that only confusion and misunderstanding can result from the act of the last State Legislature providing for deregistration of California State and municipal securities. Efforts will be made to have the measure repealed and a substitute practical method of procedure devised. In this connection, the letter asks for ideas or suggestions on the subject which would contribute toward presenting a workable measure for consideration of the Legislature.

Milwaukee Soon Free Of Debt Service Levy

The City of Milwaukee's recently adopted 1942 tax levy probably will be the last one making provision for payment of the principal on the municipality's bonded indebtedness, according to William H. Wendt, City Comptroller.

"It is expected that next year the public debt amortization fund will be able to assume the remaining $10,362,000 bonded debt," Mr. Wendt said. "It may be necessary to include in the 1943 levy an amount sufficient to pay the interest due in 1944. Thereafter Milwaukee taxpayers will be relieved of their bonded indebtedness."

In a year-end summary of the city's finances, Mr. Wendt pointed out that a permanent improvement fund was established several years ago for the purpose of keeping the city debt free after provision was made for existing bonded debt. Public improvement projects under this plan will be financed on a cash basis, instead of through bond issues. Mr. Wendt said few permanent public improvements could or would be undertaken during the war.

"Nevertheless," he added, "city officials again urged and had included an item in the tax levy to build up reserve funds which will be available when work can proceed. Meantime, a committee is working on a long-term program so that when the time comes the improvements may be made in the order of their necessity and importance and consistent with good planning. Such projects may be helpful in relieving post-war conditions."

Mr. Wendt reported that the installment plan of paying real estate taxes, inaugurated in 1942, proved successful. Approximately 17,000 taxpayers took advantage of this method of paying their taxes. Of a total of $3,100,000 installment accounts, only $100,000 became delinquent. The City Comptroller said it was proposed to have legislation enacted extending the installment payment privilege to personal property taxes.

The 1942 assessed valuation of all taxable property totaled 842 million dollars and continued the upward trend resumed in 1941. This figure, however, is 74 million dollars below the peak valuation of 1,016 million reached in 1930. Mr. Wendt said a large portion of the increase in the 1942 assessed valuation was on personal property. He added that, if the city should be prohibited in placing on the assessment rolls the value of materials and equipment used in war production, the effect on its finances might be serious.

New Jersey May Adopt New Constitution

Opportunity to scrap their 50-year-old State constitution for a completely new one making drastic changes in executive and judicial branches of state government will be given New Jersey legislators in 1943. The new constitution, completed last spring by a special constitutional committee, provides also that administrative agencies conform to uniform, established procedures and practices, sets up a legislative council to study needed legislation, and changes meetings of the legislature from annual to biennial. Much of the power considered the sole right of the legislature is given the governor under the proposed constitution, which specifically prohibits the legislature from making executive, administrative or judicial appointments.

While the proposed constitution bars the governor from serving more than one term, it increases the present three-year term to four years. A mandatory state-wide merit system, to replace the present optional one, and a mandatory state-wide parole system are required. If approved by the State Legislature, the constitution still must be approved by voters of the state. If the constitution is adopted, New Jersey will become the eighth State to revise its constitution completely since 1900, though attempts have been made by many other states, according to the Council of State Governments.

Executive changes giving the governor more authority also would charge him with initiating structural simplification of executive and administrative agencies if necessary. In addition, the 90-odd departments, boards and agencies now in the executive branch would be reduced to nine departments and an office of the comptroller and treasurer.

The new judicial system would simplify what is considered one of the most complicated court systems of any State, modifying organization of state and county courts to include a full-time supreme court; a single state-wide trial court of general civil and criminal jurisdiction to sit in each county; and a single intermediate appellate court to sift appeals from the trial court.

Chicago San. Dist. Tax Budget Reform Urged

The Civic Federation has reasserted its recommendation that legislation be enacted to modernize the budget law of the Sanitary District of Chicago, which federation officials assert is "antiquated." The organization feels that the budget law should be changed so that the district can draw up a budget appropriating 70% of its tax levy that it can convert into cash through the sale of tax anticipation warrants rather than appropriating 90% of its tax levy.

In making this suggestion the federation pointed out that the district's tentative 1943 appropriation for the corporate fund of $8,448,286 was $70,000 lower than the appropriation for 1942, but also was $844,000 greater than the estimated actual 1942 expenditure.

"This indicates that substantial salvage occurred in 1942 appropriations and once more points to the necessity for legislation which will make possible the construction of a budget based upon the amount of actual cash to be received in a given year," the federation said.

"Under existing budget laws, the district is forced to make up the difference between 90% of the current year's tax levy (which is 'available for appropriation') and the 70% to 75%, which may actually be available through the sale of tax warrants—either by underestimating miscellaneous revenue or by 'padding' the budget."

The views of the federation were expressed by Douglas Sutherland, its executive secretary, at the district's public budget hearing. He recalled that the district and the federation had joined forces previously to obtain enactment of a bill to bring about the suggested change. A bill was passed by the legislature for this purpose, but it was vetoed by the Governor.

Wartime Fiscal Problems Harass Local Officials

Financial problems brought on by the war are causing municipal officials their greatest worry today. This is shown in an analysis, by the American Municipal Association, of municipal programs for 1943 adopted by city officials of 24 states at their annual municipal league meetings this fall.

Concern of city officials over municipal fiscal problems, and their efforts to solve them, are reflected in the resolutions and 1943 legislative programs, which in general:

Ask for larger shares of state-collected tax revenues.

Oppose federal taxation of income from outstanding and future issues of municipal bonds (municipal leagues of almost all the states took this stand).

Oppose, or ask for a modification of, statutes granting tax exemptions for property owned by religious, charitable and educational institutions and used for commercial purposes.

Ask that the federal government assume liability for injuries sustained by local auxiliary civilian defense workers in line of duty.

Call for development of post-war planning programs by cities.

Favor amendment of the social security act to give municipalities the option of including their employes and officers under old age insurance provisions of the act.

Need for additional funds and fiscal planning is created in part by demands for additional municipal services, especially in war industry areas, and a shrinkage in local property tax revenues accompanied by inequitable distribution of state-collected revenues, according to the analysis.

Municipal leagues of 15 states asked in resolutions, or plan to seek through 1943 legislative programs, increased shares of state-collected revenues from gasoline taxes, automobile license fees, state liquor store profits and other sources. Iowa, for example, wants surpluses of these various funds returned to cities on a per capita basis.

California and Illinois cities want additional revenues to finance their growing civilian defense costs. California called for a study of financial requirements of cities to meet additional war costs, and plans to seek from the 1943 legislature funds to help meet wartime fiscal requirements of cities and towns.

Cities of several states, including Colorado and Illinois, want to be allowed to spend their share of funds for street and highway construction at their own discretion. In Colorado these funds are limited to improvements to state highways through cities. Along this line, Montana cities want 50 per cent of the money received from auto license plates for cars within their limits.

Municipal leagues of several states, including Iowa, Kentucky and New Jersey, took a stand that property, used for commercial purposes, of religious, charitable and educational institutions should be on the tax rolls. Illinois cities opposed tax exemptions for defense and war plants, while Louisiana city officials opposed granting of tax exemptions to war industry contractors.

Major Sales Scheduled

As indicated in the appended calendar of forthcoming offerings, a number of issues of general market interest are already scheduled to reach the market in January of the new year. Furthermore, there is a possibility of an early resumption of institutional selling, which would no doubt be very welcome to the municipal fraternity. As to the outlook for investment demand, the prospects in this regard should be very favorable. Increasing recognition of the impact of Federal taxes on incomes should serve to stimulate the demand for tax-exempts. The table of coming sales of $500,000 or more follows:

January 4

$1,020,000 Kenosha Co., Wis.

Previous award made to Paine, Webber & Co., Chicago, and next high bidder was Daniel F. Rice & Co., Chicago.

January 5

$2,300,000 Minneapolis, Minn.

Halsey, Stuart & Co., Inc., New York, successful bidder at previous sale, with Phelps, Fenn & Co., Inc., being the next best bidder.

January 16

$983,000 Orleans Levee District, La.

Proposed sale in December, 1941, was canceled because of poor market conditions. Previously, an award was made to R. W. Pressprich & Co., New York.

January 26

$7,900,000 Seattle, Wash.

John Nuveen & Co., account awarded previous loan, with Blair & Co., Inc., syndicate making next best bid.

February 1

$4,100,000 Maricopa Co., Ariz.

Bids for these bonds will be received by the State Treasurer in behalf of the county.

Thurston In Armed Forces; Pettingill Branch Manager

PORTLAND, ME.—Theodore K. Thurston, formerly local manager for Coffin & Burr, Inc., 120 Exchange Street, is now serving in the armed forces.

The Portland office of Coffin & Burr will be under the management of Charles S. Pettingill, formerly the firm's representative in Augusta, and Charles A. Ross, Jr.

U. S. Savings & Loan League Pledges Complete Support To War Financing Program

In a resolution adopted at the recent War Conference on Housing and Savings of the United States Savings and Loan League, all savings and loan associations wholeheartedly pledged complete support to the war financing program and pledged that the member institutions would purchase at least $250,000,000 in government bonds during the coming year, which will more than double their present holdings of government securities.

The text of the resolution follows:

Savings and loan institutions are approaching the attainment of their goal, the investment of $100,000,000 in government bonds, including Series F and G War Bonds, during the last half of 1942. In the several states, those association managers who had the responsibility of chairmen for the campaign have given of their time and talents unstintingly for the attainment of this unprecedented program for a direct contribution on the part of these associations to the Victory of our country.

In the year 1943, the need of the United States of America for funds to finance the war from sources other than commercial banks will be greater than it has been in the current year. Inflation is a foe which must be fought on the home front. The battle calls for the enlistment of the dollars which represent savings and investment and are thus non-inflationary when invested in government bonds. A continuation next year of the program for investing savings and loan funds in a balanced portfolio of government bonds will not only serve the country meritoriously but will also increase the strength of these institutions. It will contribute to the establishment of our character as semi-liquid institutions. Any limitations on government bond investments which may exist in the state codes governing our institutions should be removed so that full support of the nation's war-financing program will be the unquestioned right of our thrift and home-financing institutions.

The United States Savings and Loan League through the representatives of member institutions assembled in this War Conference on Housing and Savings pledges that $300,000,000 of government bonds will be purchased by this system of institutions during 1943. We commend the noteworthy leadership given to the campaign in 1942 by Femor S. Cannon, President of the League, by Ralph H. Cake and John F. Scott, vice-presidents, by Morton Bodfish, executive vice-president, by Franklin Hardinge, Jr., member of the League staff, and by the chairmen in the several states. We hold up their performance as an example to those who shall assume a like responsibility next year. We express our appreciation to the Treasury Department War Savings Staff, particularly to Mr. Ted R. Gamble and Mr. Robert Coyne, for their cooperation with this program.

* * *

I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the United States Savings and Loan League at its 50th Annual Meeting held in Chicago, Illinois, on the 18th day of November, 1942.

(Signed) H. F. CELLARIUS,
Secretary-Treasurer

A Safe Haven For Investment Funds

Individual investors, trustees and other* fiduciaries interested in becoming acquainted with the Federally insured investment opportunities offered by savings and loan associations should write for current explanatory literature to the associations mentioned below. When doing so please mention the "Chronicle."

- **American Savings & Loan Association**
  17 East First South Street, Salt Lake City, Utah
- **Atlanta Federal Savings & Loan Association**
  22 Marietta Street, Atlanta, Georgia—Write for free booklet, "A Safer and Better Plan."
- **Danielson Federal Savings and Loan Association**
  84 Main Street, Danielson, Conn.—Write for free booklet and information.
- **First Federal Savings & Loan Association**
  46 Pryor Street, N. E., Atlanta, Ga.
- **Hinsdale Federal Savings and Loan Association**
  8 East Hinsdale Avenue, Hinsdale, Ill.
- **Mid Kansas Federal Savings and Loan Association**
  25 East William Street, Wichita, Kans.
- **Mutual Building and Loan Association of Pasadena**
  38 South Los Robles Avenue, Pasadena, Calif.—Write for free booklet, "Profits and Prophecy."
- **Railroadmen's Federal Savings and Loan Association**
  21 Virginia Avenue, Indianapolis, Ind.
- **St. Paul Federal Savings and Loan Association**
  4 East Fourth Street, St. Paul, Minn.—Write for information.
- **San Francisco Federal Savings and Loan Association**
  705 Market Street, San Francisco, Calif.
- **Southland Federal Savings and Loan Association**
  9440 Wilshire Boulevard, Beverly Hills, Calif.
- **Standard Federal Savings and Loan Association**
  735 South Olive Street, Los Angeles, Calif.

*Guardians, insurance companies, State, school and municipal sinking funds, firemen's, police and other pension funds, etc.

Federal Reserve Board Reports Industrial Activity Maintained At High Level In November

Aggregate industrial production in November was maintained close to the October level, reflecting a continued growth of output in war industries and a seasonal decline in production of civilian goods, the Board of Governors of the Federal Reserve System announced on Dec. 22 in its summary of general business and financial conditions. Distribution of commodities to consumers rose further in November and the first half of December, reducing somewhat the large volume of stocks on hand. Retail food prices continued to advance.

The Board's summary further said:

Production

"Maintenance of industrial production in November when the seasonal tendency is downward was reflected in a rise of the Board's seasonally adjusted index from 189 to 191% of the 1935-1939 average. This rise was largely accounted for by a further advance in output of durable manufactures. Nondurable manufactures declined seasonally, while output of minerals showed less than the usual seasonal decrease. In all groups of products the proportion of output for war purposes was considerably larger than a year ago.

"The increase reported for durable manufactures from October to November was in finished munitions and industrial equipment for new plants which will be completed in large number over the next few months. Steel production, at 98% of capacity in November and the first three weeks of December, was down slightly from the October peak, but the reduction appeared temporary as the scrap supply situation had been relieved and as further progress was being made on construction of additional iron and steel capacity. Supplies of iron ore on hand are regarded as sufficient for operations at capacity until movement of ore down the lakes is resumed in the spring. Shipments from Upper Lake ports this year totaled 92,000,000 tons, and were 15% above the record established in 1941.

"At cotton textile mills activity was maintained at a high level in November and at shoe factories production declined less than is usual at this season. Output of manufactured foodstuffs showed a seasonal decline.

"Construction contract awards in November were 10% below the level of the three preceding months, according to data of the F. W. Dodge Corp., but were still about 40% higher than in November of last year. As in other recent months, publicly-financed work accounted for over 90% of all awards.

Distribution

"Distribution of commodities to consumers increased further in November and December with active Christmas buying. At department stores, variety stores, and mail-order houses serving rural areas, sales in November expanded more than seasonally. In the first half of December department store sales continued to rise sharply and were considerably larger than a year ago.

"Freight-car loadings in November declined about 7% from their peak levels in September and October but on a seasonally adjusted basis rose slightly over the October level. Coal loadings rose somewhat although a decline is usual in November. Shipments of other commodities declined seasonally.

Commodity Prices

"Grain prices advanced from the middle of November to the middle of December, while most other wholesale commodity prices showed little change.

"Retail food prices increased further by 1% in the five weeks ending Nov. 17 to a level 16% higher than in November, 1941. Prices of such fresh foods as are uncontrolled — fruits, vegetables, and fish—showed the largest advances from October to November, but price increases in controlled items contributed about two-fifths of the total rise.

Bank Credit

"During the period of large-scale Treasury financing in December, total excess reserves of member banks were generally above $2,500,000,000. Substantial purchases of Government securities for the Federal Reserve System offset the effect of drains on reserves by the continued heavy currency outflow and further increases in required reserves resulting from a rapid growth in bank deposits.

"Reserve Bank holdings of Government securities showed an increase of $850,000,000 in the four weeks and reached a total of $5,500,000,000 on Dec. 16.

"At reporting member banks in 101 leading cities holdings of United States Government securities increased by $800,000,000 in the four weeks ending Dec. 9. Treasury bills accounted for practically the entire increase, with almost two-thirds of the amount going to New York City banks. In the week ending Dec. 16, bond holdings rose sharply as banks received their allotments of the new 1¾% bonds subscribed on Nov. 30-Dec. 2; allotments of this issue to all banks totaled $2,000,000,000, representing 85% of subscriptions.

"Total loans showed little change over the four weeks ending Dec. 9. Commercial loans declined by $200,000,000, with about half the decline at New York City banks, while loans to brokers and dealers increased over the period, reflecting largely advances made to security dealers in New York in connection with the Victory Fund drive.

"Payments by bank depositors for New Government security issues resulted in a decline of adjusted demand deposits and a rise of U. S. Government deposits to $5,800,000,000 in mid-December the largest total on record.

United States Government Security Prices

"Prices of United States Government securities have been steady in the past three weeks following an adjustment in the latter part of November when the Treasury announced the drive to sell $9,000,000,000 of securities in December. Long-term taxable bonds are selling on a 2.36% yield basis on the average and long partially tax-exempt bonds on a 2.09% basis."

Amend Revenue Act On Powers of Appointment

Congress recently amended the Revenue Act of 1942 by extending the time relating to the release of appointments under the gift and estate tax provision from Jan. 1, 1943, to July 1, 1943.

The amendment, which had the approval of the Treasury Department and the staff of the Joint Committee on Internal Revenue Taxation, passed the House on Dec. 7 and the Senate on Dec. 11.

In the Senate Finance Committee's report on the legislation, this explanation was given:

"Under the 1942 Revenue Act the Congress provided that holders of general powers of appointment, created on or before the date of enactment of the amendments, may release such powers prior to Jan. 1, 1943, without incurring estate or gift tax liability. The purpose of this amendment is to afford holders of such powers additional time to readjust their affairs in the light of the new provisions, changing the date for the release of such general powers from Jan. 1, 1943, to July 1, 1943."—(Cong. Rec. Dec. 11, p. 9812.)

Goodman To Be Partner In Kaufmann, Alsberg

Bertram E. Goodman will be admitted to partnership in Richard K. Kaufmann, Alsberg & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges, effective Jan. 1. Mr. Goodman in the past was a partner in Newburger, Loeb & Co.

ORGANIZED 1887

Investment of Trust Account Funds Invited

ASSETS OVER $30,000,000.00

RAILROADMEN'S

FEDERAL SAVINGS AND LOAN ASSOCIATION OF INDIANAPOLIS

21 Virginia Avenue Indianapolis, Indiana

For Insured Safety and Liberal Return—

SAVE HERE

All Savings and Investment Accounts here are insured up to $5,000.00 by an Agency of the United States Government and current dividends are at 3%. We know of no other equally safe investment that will pay you as good a return on your money. Assets are over $3,800,000.00. Send card for free booklet and information.

Danielson Federal Savings and Loan Ass'n.

84 Main Street Phone 377 Danielson, Conn.

ACCOUNTS INSURED UP TO $5,000

Latest Semi-Annual Dividend AT RATE OF 3½% PER ANNUM

- We solicit Investment accounts of Individuals, Trust Officers, Administrators, Guardians, Life and Fire Insurance Companies and other Trustee Investors.

A Non-Speculative Investment Legal for Trust Funds in many states

- Assets over $5,400,000. Surplus and reserves over $535,000

Write for free booklet, "A Safer and Better Plan" or send check for Investment Certificate

Atlanta Federal Savings & Loan Association

GEORGIA'S LARGEST FEDERAL ORGANIZED 1928

22 Marietta Street Atlanta, Georgia.

Member Federal Home Loan Bank System
Federal Savings & Loan Insurance Corporation

HINSDALE, ILLINOIS

88%

of three million dollar portfolio FHA insured.

Share accounts here channel funds to the Treasury, and preserve the national economy.

★

Non-members are cordially invited to seek information in regard to membership in the Hinsdale Federal Savings and Loan Association from their own broker or banker.

No Market Fluctuation in this Insured Investment

Legal for Trust Funds

Dividends exempt from normal Federal Income Tax.

Assets Over $3,000,000

MID KANSAS FEDERAL SAVINGS AND LOAN ASSOCIATION

WICHITA, KANSAS

Financial and operative statements sent on request

Investing For Profits

"Investing for Profits" is the interesting subject of a brochure just issued by Huff, Geyer & Hecht, Inc., 67 Wall Street, New York City, discussing the attractive possibilities offered by insurance stocks as compared with other types of securities. Included in the brochure is a comparative table showing rate of returns from leading insurance stocks. Copies of this interesting brochure may be obtained from Huff, Geyer & Hecht, Inc., upon request.

In Armed Forces

Fred H. Beard, partner in A. H. Vogel & Co., Detroit, and a member of the Detroit Stock Exchange, is now serving in the armed forces.

Large and Small Investors Fare Well By Disbursements Of Savings and Loan Associations

By CARL DISTELHORST,

Assistant Vice-President United States Savings and Loan League

The 112th consecutive New Year's Day which has found American purses and credit balances the richer by the disbursement of dividends to investors in savings, building and loan associations and cooperative banks was celebrated this week when these institutions distributed some $78,800,000 as earnings for the last half of 1942 on their investments in home mortgage loans and

Carl Distelhorst

Government securities. This dividend brought more than $2,000,000,000 the cumulative amount of money loaned by savers and investors in this type of institution in the past 10 years. This is an impressive figure, even in a day when billions trip as easily from tongue or pen as millions used to.

Roughly about half of this amount has been paid out as cash dividends to lump-sum investors in cooperative banks and savings and loan associations. The rest of it has been credited on systematic savings accounts in these institutions and thus made available for re-investment in the home financing and now the war financing field. In number there are always many more small savers getting dividends than institutional and lump-sum investors, but the volume of the latter's holdings is such that they net about half of the distribution. At least that has been the general picture in the past decade, and in the past few years the proportion of such holdings has been increasing.

On June 30, this year these institutions distributed some $81,600,000. Their total dividend payments for the year were $160,400,000. Reserves were increased by about $50,000,000 while this amount was being paid out to investors and savers.

The splendid earning position which the associations maintained for the most part in 1942 was largely due to the increase in the proportion of their mortgage loan portfolios to total assets with which they started the current year. At the close of last year, mortgage investments of all associations were 79.20% of their total assets, as compared with 76.13% at the beginning of 1941. Mortgage loans are the big earning assets of the associations and have been added to by another $1,000,000,000 in 1942, although some of this substantial addition to mortgage loan portfolios has been offset by heavy repayments on loans ahead of monthly repayment schedules.

It is noteworthy that by the beginning of 1942 real estate on the books of the associations was down to 5.7% of assets and that remainder was probably earning a better net return to the associations while it stayed on the books in 1942 than has been characteristic in other recent years. The real estate item of assets has been cut almost in half during 1942, and by the end of the year it will constitute only about 3% of assets, the smallest percentage in the consolidated balance sheets of associations since 1930.

Increased costs of equipment and supplies added to the expenses of associations this year as did also their handling of war bonds as agents of the Treasury. Many of them added one or two or several extra staff employees to handle the sales of war bonds to the public and have participated at their own expense in special plans to push the bond sales in their communities. As a result they have sold $300,000,000 of bonds for the Treasury. In November a single association sold $1,000,000 worth of bonds, the first time this figure has been reached in a single month by one of these associations. Twenty-five associations have sold more than $1,000,000 each during the entire period that they have been acting as agents. These cases obviously represent unusual promotional expenditures by these associations.

For the past 12 or 13 years savings and loan institutions have been placing greater emphasis on their reserve position so that present distributions of dividends are universally at lower rates than in the 1920's.

Diversity in rates paid savers and investors, however, still characterizes the field since conditions vary according to mortgage interest rates in the locality, according to the reserves which they have already accumulated, and according to many other possibly unique features of an institution's situation. The rate situation is nevertheless closer to uniformity today in savings and loan than in any of the past 112 years in the business.

In the first days of this type of institution, when all the investors were would-be home owners, there was little knowledge of just what the dividend rate was. All earnings were allotted quarterly to the members of the association and served to build up their credits with the association and bring them a step nearer debt-free ownership of a home. From this extreme disregard of the rate of return to the extreme emphasis on it in the 1920's, the associations have emerged to the present era when the rate of return is generally lower than it was 15 years ago and the various institutions are closer together in dividend policy.

Participating in the 112th annual dividend from the savings and loan associations and cooperative banks of the country will be some 7,000,000 individuals and institutions whose funds are invested with them. It is interesting to compare the number with that at the first year of savings and loan operations in America, year 1831. Then only the original association, the Oxford Provident Building Association, was in existence and 37 members were allotted the return from the investment of their savings in a home loan to ones of their fellow members.

Savings & Loan Ass'ns Advancing More Funds

CHICAGO, Ill. — The savings, building and loan associations were advancing more money this past October, $91,672,000, than in the first months of the year before the home building restrictions took effect, according to Ralph H. Cake, Portland, Oregon, President of the United States Savings and Loan League. He said that this performance was in line with the seasonal trend in lending activities of the associations in other years but that the purposes for which loans were granted made some notable shifts between January and October.

Ralph H. Cake

Loans for war housing, privately built and financed, accounted for some 11.54% of all the associations' October disbursements, and this meant that construction loan volume in October was about half of where it was last January when people could still build housing in any area if they could get the materials.

On the other hand home purchase loans were 65% greater in volume in October than in January.

"Ever since April we have been lending $50,000,000 or more a month to enable people to buy a one-family house or a two-or-three flat building," said the League officer. "Obviously scores of thousands who might have built or bought brand new homes, had the war economy not intervened, stayed sold on the idea of owning their homes and have kept up the market for existing properties since building was restricted."

The largest volume of home purchase loans was made in Ohio, Pennsylvania and California in that order. Ohio associations led in war housing construction loans, followed closely by those in California, and these two States, with New York and New Jersey account for nearly half of all the construction loans which associations made in October, it was pointed out.

Analysis of October loans and purposes for which they were granted and percentage for each purpose follows:

Purpose	Estimated Loans Made By All Associations in the United States	Per Cent Of Total
Construction	$10,572,000	11.54
Repair and Modernization	3,498,000	3.81
Home Purchase	58,060,000	61.67
Refinancing	14,694,000	16.02
Other Purposes	6,380,000	6.96
Total	$91,672,000	100.00

First Federal Of Detroit In New Location

First Federal Savings and Loan Association of Detroit is now located in a new building at Griswold corner of Lafayette in the center of Detroit's financial district. The building was bought by the Association from Guardian Depositors Corporation of Detroit.

Increased facilities are provided in the new location for the handling of War Bonds, home mortgage loans and insured savings accounts. Larger quarters were required because of continued growth of the Association, which has become the largest Federal savings and loan association in Michigan, and because of increasing activity in War Bond sales.

Your STANDARD FOR SAFETY

STANDARD FEDERAL meets every standard of safety for your savings. Strong, time-tested management, ample reserves, sound underlying security, plus federal insurance for each account to $5,000, protect you. Liberal income too. Funds received by 10th of month earn from 1st.

STANDARD
Federal Savings
AND LOAN ASSOCIATION
735 South Olive Street
Los Angeles • MI-2331
Buy War Bonds Here

Do You Have Money to Invest?
(Then Consider This)
We Have Paid Consistent Dividends each year since organized in 1923
Our Accounts Are Insured By Federal Savings and Loan Insurance Corporation
Current Rate of Dividend 3%
Write For Details
AMERICAN SAVINGS & LOAN ASSOCIATION
17 East First South St.
SALT LAKE CITY, UTAH

St. Paul Federal
Savings and Loan Association
St. Paul, Minnesota
Assets $1,998,872.24
Current Dividend Rate
3%
Write for further Information:
AXEL A. OLSON, Exec.-Secretary

Ill.-Wisc. Home Loan Units Up Bond Sales

Illinois and Wisconsin savings, building and loan associations outdid themselves in their November war bond sales, the Federal Home Loan Bank of Chicago reported, issuing $4,890,507 in the one month and bringing their cumulative total of assistance to the Treasury to $37,220,106.

Spectacular performance of two institutions, one in Chicago and one in Milwaukee, featured the November sales, according to A. R. Gardner, President of the regional bank for the two States. While the First Federal Savings and Loan Association of Chicago was chalking up the first $1,000,000 war bond month ever achieved by an institution of this type, the Acme Savings and Loan Association of Milwaukee was selling bonds in one month practically equivalent in volume to its entire assets. The First Federal Savings and Loan Association of Chicago totalled $1,028,284 war bond sales for November, while the Acme sold $612,900, just 6% under its total assets. The advices Dec. 14 from the Federal Home Loan Bank of Chicago, also state that figures on war bond sales by these associations are compiled by their district Federal Home Loan Banks and to date the Illinois-Wisconsin district is second only to the Ohio-Kentucky-Tennessee district in total volume of bonds issued.

Bond Buying Day

By FERMOR S. CANNON, Chairman

United States Savings and Loan League Committee on 1943 Investment in Government Securities

On Jan. 16, several hundred savings and loan institutions are going to celebrate the birthday of Benjamin Franklin by buying their 1943 limit of F and G United States Savings Bonds for their own portfolios. Estimates are that the total purchases for the day will be more than $50,000,000 or one-sixth of the way to the goal which has been set by the United States Savings and Loan League for the savings, building and loan associations and cooperative banks to invest in Governments for the entire year.

Fermor S. Cannon

The tie-in with Benjamin Franklin's birthday is most appropriate to the wartime emphasis on saving and thrift, since Franklin was long ago adopted as patron saint by thrift organizations all over the country, and his birthday has long been recognized as the starting date for a full week's emphasis on thrift in this country. Many of our outstanding savings and loan institutions from New York City to Portland, Oregon, are named for Franklin. The actual birthday, January 17, falls this year on a Sunday, so the preceding Saturday has been picked as the actual day for bond purchase.

This first of the year challenge will give an early start to State chairmen for the coming year's bond drive among the institutions. The goal they have set for this year is three times that which they have already succeeded in reaching during the last half of 1942. Thus the effort in 1943 may be said to be 50 per cent more of a challenge than that of the year just closing. Our managers feel that the associations will add $300,000,000 of Government securities to their portfolios this year without any question. Most of their concentration these days is rather on what kind of securities are most suitable for savings and loan operation since they have not previously in their history had anything like the bond-buying urge or program with which they have to live this coming year.

Something like nine per cent of savings and loan assets will be invested in Government securities by the end of 1943, assuming that the $300,000,000 is purchased this year and added to present holdings of some $240,000,000, and that total assets of the savings and loan system increase during the year by no more than their gain of the past two or three. This will be the most conspicuous position which loans to the United States Government have ever held in portfolios of these institutions.

This development will bring about a new high in the liquidity position of the associations. A few of them have always invested in Government securities as a secondary line of liquidity but the practice has never become general. Now, under the impetus of the campaign to invest in Governments, this policy is becoming generally accepted. Together with the five to ten per cent cash in associations today and their lines of credit with their reserve system, the Federal Home Loan Banks, the newly stepped-up bond holdings are helping the associations achieve the kind of liquidity which leaders in the business have advocated so strongly throughout the post-depression period. It is interesting that the most spectacular satisfaction of their dream should have come about by indirection, by the aim to provide funds to the Treasury to help fight a war.

A decline in association borrowings from the Federal Home Loan Bank system the past few months has meant, of course, that unused lines of credit with the reserve system have been bolstered. On June 30, 1942, the advances outstanding to savings and loan institutions from the Home Loan Banks were $192,645,000. By the end of the next quarter, Sept. 30, 1942, they were $144,752,000, a decline of about 25 per cent. This net fall-off comes about from the repayment of loans to the banks and thus the strengthening of the repaying institution's credit line. Probably there will be an even greater fall-off before the end of the year, thereby strengthening still further the emergency funds available to the member associations when and if they need them.

It should be noted also that Government securities owned by the Federal Home Loan Banks themselves increased in volume the third quarter of the year, from $69,368,000 at the end of June to $89,179,000 at the end of September. Cash in the Home Loan Banks rose from $49,068,000 to $68,283,000 during that quarter. Thus not only in the associations themselves but also in their reserve system the liquidity factor is receiving major attention.

Bond-buying day to celebrate the 237th anniversary of Benjamin Franklin's birth will contribute to this highly desirable state of affairs in the home-financing system of the nation.

Home Borrowings Up In Chicago Loan Dist.

Illinois and Wisconsin people borrowed more money to buy, build or fix up their homes in September than in any except one of the first nine months of the year, the Federal Home Loan Bank of Chicago reported on the basis of mortgages recorded by all types of lenders. The $32,059,000 which was borrowed in these two States was 2% more than in August and second only to April. A. R. Gardner, President of the Chicago Bank, said that the proportion of the borrowing taking place in metropolitan areas was the largest since May—56.8%. The advices from the bank added:

"Dollar volume of borrowing in Cook County was largest since April, but in Milwaukee County fell below the May, June and July figures, which were exceptionally large there. More borrowing for homes took place in Milwaukee County than in September, 1941, however, while the Cook County activity like that for the two states as a whole was under that for the same period of last year.

"Dependence on savings, building and loan associations for 31.69% of all home borrowings was reflected in the September analysis of sources of funds. These institutions thus hold their four-year lead among types of lenders by dollar volume. Their dominance is even more conspicuous by number of loans made, Mr. Gardner pointed out, since 3,429 out of the total of 9,599 separate loans, or 35%, were made by the savings, building and loan associations.

"The average home loan being made this September was $3,340, some $200 larger than the average in September two years ago and $70 larger than in September last year. According to Mr. Gardner, this situation reflects a larger proportion of home purchases in the higher price range."

Milnor In Air Force

J. Kirk Milnor, Manager of the trading department of the New York office of Van Deventer Brothers, Inc., is now serving in the U. S. Army Air Force.

NOTICE OF 26th CONSECUTIVE SEMI-ANNUAL DIVIDEND

We take pleasure in announcing the payment on December 31, 1942 of the 26th consecutive semi-annual dividend on all savings and investment accounts in this Association, again

AT THE RATE OF 3½% PER ANNUM

It has always been our policy to pay the highest rate of return possible, consistent with the earnings and conservative management policies of this Association. We feel that all current net earnings, after proper provision for required legal reserves and a reasonable increase in our Undivided Profits Account, should be distributed among the current holders of our investment and savings accounts.

While we have never, since the date of our organization in 1929, paid dividends at a rate less than 3½% per annum, this fact should not be taken as an indication that the rate may not be less in the future. We make no predication or promise of what our future dividend rate will be, but we promise to continue the same liberal policy of determining the rate which we have followed in the past.

Upon this policy, we solicit your savings

Southland Federal Savings
AND LOAN ASSOCIATION
FOUNDED 1929
9440 Wilshire Blvd — BEVERLY HILLS — CALIFORNIA
Eugene Webb, Jr., President

INVESTORS AND INSTITUTIONAL FINANCIAL ADVISORS

Since 1925, through war and depression, Mutual has paid 3% or more promptly as due. Since 1925 all investments in Mutual have held par — $100. At all times Mutual has paid on demand. Send for statement today. Funds received by January 10th earn from January 1st.

RESOURCES $4,800,000 ★ LARGEST IN PASADENA

MUTUAL BUILDING & LOAN ASSOCIATION of PASADENA
38 SOUTH LOS ROBLES ★ PASADENA, CALIFORNIA

TRUSTEES, EXECUTORS, CORPORATIONS, INDIVIDUALS and OTHERS are invited to invest here.

- FEDERAL INSURANCE UP TO $5000.00
- HIGHER INCOME

SAN FRANCISCO FEDERAL SAVINGS AND LOAN ASSOCIATION
SAN FRANCISCO, CALIFORNIA
Chartered and supervised by the U. S. Government

INSURED INVESTMENT CERTIFICATES
•
FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION
OF ATLANTA, GEORGIA

Our Reporter's Report

(Continued from first page)

hard to replace since they carry 4 and 5% coupons, and will therefore be yielded grudgingly.

Books Are Closed

Dealers and others who are going through the motions of doing their regular routine this week are finding it a rather difficult procedure, that is so far as insurance companies are concerned.

Following precedent the latter have pretty much closed their books on investment until after the turn of the year, and while they may pick up odd pieces on a "deferred delivery" basis, they are not going much beyond that.

Portfolio managers, according to some of those who have tried, just come back with the explanation that books are closed, and if the potential seller is persistent they advise him that "the vaults also are closed until next year."

Paring It Down

Atchison, Topeka & Santa Fe Railroad stands well up in the ranks of carriers which have been taking advantage of their war-born prosperity to reduce outstanding obligations.

This road, it is indicated, has since the beginning of December last year, liquidated approximately $35,897,500 of its indebtedness, exclusive of $5,110,000 of equipment trust certificates which mature annually.

The foregoing total is also exclusive of bonds purchased for retirement in the open market. The largest single piece retired was made up of $28,070,500 of 4½s.

Corporate Revival Expected

Feeling around underwriting circles is that the turn of the year will bring to light indications of an early revival of corporate new financing.

Though the necessity for war financing probably will keep the total of such new private ventures within relatively reasonable bounds, the securities distributing industry is confident that considerable such new business will develop.

Two such possibilities came over the horizon with the past week when the Public Service Co. of New Hampshire filed for $22,500,000 of bonds and $5,000,000 of serial notes the latter to be placed privately.

Now the Puget Sound Power & Light Company, subsidiary of Engineers Public Service Company has gone into registration on a refunding which overs some $60,000,000, including $52,000,000 of mortgage bonds and the balance debentures.

The latter undertaking is being launched as a part of a plan for recapitalization of the company before the Securities and Exchange Commission.

Wm. Richards Now With Staff Of Homer & Co., Inc.

Homer & Co., Inc., 40 Exchange Place, New York City, dealers in investment securities, announce that William M. Richards, formerly of Gilbert Eliott & Co., and more recently connected with Laird, Bissell & Meeds, has become associated with the firm.

Charles Plohn Acquires 18th Exchange Membership

Charles Plohn, a member of the firm of Newborg & Co., 30 Broad Street, New York City, has purchased a seat on the New York Stock Exchange for $28,000. This purchase makes Mr. Plohn a member of 18 different exchanges throughout the country.

HOW DID WE GET THIS WAY?

(Continued from first page)

one of the many things on which everyone claims a right to an opinion, neglecting the obligation to know something about it. This is probably so because money is assumed to be wealth, rather than its symbol, and because the regulation of its value is believed to be a political rather than an economic function.

The adolescent mind which is obsessed with the thought that all human ills can be cured by legislation, is firmly convinced that money can be created without effort. The belief amounts to an obsession. That all such experiments in making money have only succeeded in making it worthless, means less than nothing to those who are never perturbed by conclusions which prove their faith to be misplaced. Primitive people had the same confidence in magic and the same resentments of any efforts to puncture their delusions.

Men who will admit that they know nothing of medicine, of engineering, of astronomy; that these subjects are sciences and require years of study; will advance monetary absurdities with profound confidence in their profundity. There is something almost ludicrous in the unconscious arrogance with which they ignore the science of money; a true science as it requires a knowledge of the casual connection of financial phenomena.

Indicative of the genius of some men, and evidence of the truth of the principle that by serving self man serves all, was the development of a method of protection against contingencies. Although it is fully accepted today, it is but little understood. That is why ludicrous pension plans and ham and egg schemes—caricatures of insurance, based on self-pity and second-hand day dreams—have so much political appeal and frequently elevate their handshaking advocates, oozing with buttery trivialities, to offices they are not qualified to fill.

That precautions could not entirely prevent loss was soon discovered. Devices gradually evolved whereby accident, disastrous to one, could be shared by many. But this protection was based upon a charge adequate to cover the expense and fair to all.

The institution of insurance arose from its necessity, as do all major economic institutions, and the final machinery represents a rational form of co-operative in which each element is rewarded in proportion to its utility, importance and value, a condition beyond the comprehension of twitterpated uplifters who do not realize that there are many kinds of relativity besides the cosmic.

Insurance based upon getting something for nothing; upon having someone else pay a portion of the fee; upon inadequate experience tables; is not insurance at all but a corruption of the electorate. When the annual revenues from the fees are treated as tax levies, it is embezzlement, and no amount of lip-service to the ideal of democracy will alter the facts.

Social security, like social gains, collective bargaining and the rights of the common man, has become one of the most hackneyed platitudes in the lexicon of the priggish planners of the more abundant life—those incipient dictators who are experts in logomachy; specialists in denigration; professionals in demagogy; cum laude graduates in the strategy of slander and phony social cartographers.

The desire for security, and the impossibility of its attainment, are the dynamics of accomplishment. Were it fully attainable, progress would stop, just as mental progress stops for those who, craving security for their beliefs, refrain from doing anything which might disturb them and thus perpetuate the superstitions which mark mental senility.

Security is as impossible as a planned economy, the luminous model of which is a mirage; a figment of the imagination. Both would produce only economic catalepsy and would require an absolute, perpetual and infallible despotism with the penalties and rewards disposed of at the whim of functionaries, or would require the surrender of power to pressure groups—militant minorities—and eventually result in administrative democracy, which is autocracy by another name and in which stupidities are piled on procrastinations and lack of coordination to produce the inefficiency characteristic of a monolithic society in which individual initiative has been jettisoned.

The arguments for both make no recognition of the underlying motives of human actions; of the ramifications that interpenetrate life; of the revulsions and attractions that influence men. They do not parse in the light of experience. Human nature has many facets. It is like a polygon which has lines of movement and faces of rest. Repose is not the destiny of man. Nothing is permanent except change. Life is of necessity fluid, precarious and replete with vicissitudes.

The theory of security in a planned economy contains allegations, inaccuracies, contradictions, inequities, subjective interpolations and more than the usual retinue of irrelevants. It ignores the fact that there is a finality in economic laws, which are mandatory and not simply permissive, and against which it is disaster to rebel; laws which cannot be nullified by executive "musts" enacted by rubber stamps, in which form we still have an oversupply of the strategic material.

Even when honestly held, it is directed by feelings, prejudices, sympathies and antipathies mistaken for humanities. When not honestly held, its fatuities are concealed by a prodigality of ologeaneous words which convince by pleasing but deceptive analogy and deaden by the narcotic of the hope of getting something for nothing. Invented social schemes are mainly grandiose theatrics, staged on an unreal diorama with the usual political eclat.

Planners who impertinently arrogate to themselves what should or should not be done, close their minds to everything which contradicts their assumptions and presume to make arbitrary selections among the countless causes of which the effects are still operative. Wise men are never as sure of any one thing as they are of everything. They depend upon the accuracy of coincidence and neglect to calculate the recalcitrance of economic forces to act, like marionettes on a string, as they are directed. These forces do not respond to directives or fragile promises and are not influenced by the lyricism of the manipulators, which is the insigne of their power. They do not respond to the edicts of academicians and reformers, even when their faith is as monumental as their conceit and who, like the fly on the wagon wheel, brag about the great dust they make.

Regimentation can be planned but its effects cannot be controlled. Plans can never be perfect enough to solve the whole complex of intricate social relationships, particularly when the chartularies of the abilities of the insouciant planners contain more false than genuine entries, and who draw inferences to suit their convenience. They are always vague and amorphous as to methods although definite and specific as to results. They never state the program by which they propose to accomplish their objectives; they never tell how they are going to manage without absolute power to control individual efforts. They cannot do this without exposing the fallacy of their schemes which involve a centralized bureaucratic control which must treat people as automatons. To suppose that a self-reliant economy can be constructed out of individuals reduced to that state is preposterous.

There is no way of determining exactly what will happen when one economic operation is slowed down and another speeded up; there is no way of determining definitely the effect of assumed security upon the character of any one man; there is no such thing as economic eschatology based upon the observation of isolated phenomena.

There is, however, such a thing as a rational explanation of events; of describing the laws that regulate them and thus clarifying the present and forecasting the future. It proceeds from the assumption that events are governed by laws which are universals and which admit of no metaphysical vagueness; that there is a meaning in the lives of men. This is the purpose of the science of political economy, upon which a planned society is a travesty, and which explains the line of continuity between a long series of causually connected developments which can be traced back to before the dawn of history. It increases in importance as society becomes more complex but invests no one with apostolic authority. Correct concepts are the result of knowledge which is relative in the measure in which it depends on empirical conclusions and absolute in the measure in which it rests on rational ideas.

The only real security is security in the knowledge that one has taken advantage of opportunity to equip himself to meet the always existent dangers of life; that he can make a good struggle against any menace. Doers do not whimper for security like a beggar for baksheesh. They undertake ventures as did Columbus, Magellan, Drake and Cook and produce results like Curie, Lavoisier, Pasteur, Rembrandt, Beethoven, Epictetus, Emerson, Edison, Burbank and a host of others whose biographies are an inspiration and a gift beyond price. Men can build a career upon the ashes of their discontent. They fulfill their destiny when they do the difficult. John Stuart Mill read Aristotle's logical treatises in the original when he was only twelve. Comte said: "The history of society is dominated by the history of the human spirit," which is reflected in the mosaic of philosophies, religions, customs, conventions, inventions and material accomplishments of mankind, which are the real artifacts of culture.

The security of social security is illusory and belongs in the anthology of fable. It lacks authenticity. It belongs to the infancy of the race, when the imagination was not subdued by the intellect, and when men believed in the power of shamans to control nature with the efficacy of their incantations. Faith and fear are frequent allies. The theory impresses only the uncritical; those who have an almost organic indifference to whatever lies outside the range of their immediate sense perceptions and apprehensions and who are susceptible to the hypnotic influence of the spoken word.

Like other panaceas, it may work for a short time but it cannot work indefinitely if for no other reason than because there is no guarantee of the integrity of the tokens in which the promised benefits are payable, any more than there is a guarantee of the ability of the planners, about which they maintain a discreet silence.

There is a great need of an efficient liaison between romance and reality. The only thing which can give partial security to all without taking from any is knowledge, as measured by the law of increasing probability.

The only certain thing about social security is the tax. In the rest there is little that is probable and much that is impossible. The most feasible way of attaining a degree of security is by preventing the destruction of our proven system by crackpots, cranks and suave politicians with warped mentalities, whose promises are a gratuitous insult to the intelligence, and by seeing that our republic does not become an autocracy of mobocracy.

Anyone who wants to believe that they, their children, or their children's children will be secure in the promised land of star-gazers who nonchalantly and frivolously assume responsibilities, is incredibly optimistic. They are in grave danger of trading their birthright as free men for a mess of pottage. Competitive industry will produce better results than a security economy and it can offer irrefutable proofs.

***EDITOR'S NOTE*—We are giving consideration to putting all installments of this article under one cover in pamphlet form for distribution to our subscribers in quantity lots at a nominal price. We would like to hear from any of our readers who would be interested in obtaining copies together with some idea of the quantity they would want so that we may decide as to the feasibility of making these reprints available and the price it will be necessary to charge.**

UP-TOWN AFTER 3

STAGE

"Flare Path," by Terrence Ratigan. Presented by Gilbert Miller at the Henry Miller Theater, New York, with Arthur Margetson, Nancy Kelly, Alec Guinness, Alexander Ivo, Doris Patston and others. Staged by Margaret Webster. Sets by Raymond Sovey. (Reviewed Thursday, Dec. 24, 1942.)

This is a story with its heart in the right place, but, having said that, there is little left to say. Basically, it's the old triangle in which a pretty young lady is forced to choose between two men. The first man is her husband, a member of the R.A.F., who needs her to cling to whenever he returns from bombing forays over enemy territory. The other man in her life is an old movie actor who once was Hollywood's reigning idol. But with the years overtaking him he finds parts harder and harder to find. He wants the lady because of the uplift she gives him. The whole thing is set in a village close to an airfield where Patricia moves to be closer to her husband, Teddy. Passing through comes Peter Kyle, late of Hollywood. He resumes his friendship with Pat, who used to be his big moment before a disagreement separated them. Ever since Peter's return to her life Pat's problem is to decide which man she will go to. What her decision is and how she arrives at it, is told, at times, in touching terms. But the whole thing never seems to matter very much, a condition even the cast seems aware of. Some efforts are made to emotionalize the conflict, but the effect never seems to quite come off. The life of the Polish Count, who speaks a broken English, and his cockney wife, seems to be more touching.

SCREEN

What is frequently funny on the radio has again proved unfunny on the screen. No doubt there are millions of people who have laughed at the air antics of Red Skelton's irrepressible kid, whose "If I dood it I get a licking. I doo it!" But the illusion of an amusing brat coming over the radio comes to nothing when the same lines are uttered by a grown man on the screen. In MGM's **"Whitling In Dixie,"** Red Skelton is again the Fox—the famed radio sleuth. In this case he gets mixed up with a couple of Southern highbinders who are after hidden treasure. How the Fox solves the mystery is the burden of the story. The gags are heavy handed. The Southern drawls are put on with a thick trowel. Red even goes into the "I-dood-it" routine, but the whole thing amounts to little. The supporting cast of Ann Rutherford, "Rags" Ragland, Guy Kibbee and George Bancroft try hard, but it's all a waste of time. . . . Walt Disney's latest animated cartoon, **"Saludos, Amigos,"** is one of the most delightful things to come to the screen in many a long month. It's a travelogue of South American countries, with the old Disney favorites, Donald Duck and Goofy, as typical tourists. The color photography is radiantly beautiful, while the antics of the Disney characters are uproariously funny. Donald has his first experience on a llama in Bolivia. Then we see Goofy as a gaucho on the Argentina pampas. This one will make your sides ache. There's a delightful little skit about the planes that fly across the Andes. Set in Santiago, Chile, Disney conjures up a family of mail planes—the big papa plane, the medium-sized mama plane and their little offspring, Pedro, the baby plane. Pedro's big dream is of being able to carry the mail across the mountains like his father does. The final scene takes place in Rio De Janeiro, Brazil, where the American tourist, Donald Duck, meets his South American counterpart, a parrot named Jose Carioca. The pair join hands, do the town and Donald learns the samba. Put **"Saludos, Amigos"** (Greetings, Friends) down on your must list.

SCENES ABOUT THE TOWN

Song writer and the "New York Mirror's" radio columnist, **Nick Kenny**, at the **Monte Carlo** with **Gene** (Colony) **Cavellero, Tony** (Theodore's-Ruban Bleu) **Mele** and your reporter in an animated discussion involving imaginary, romantic experiences (though no one admits they're imaginary), when Nick turns to your scribe and says, "I just thought of the words of a new song; anyway, the first few lines. Wanna hear it?" And without further ado begins: "Some day I'll go back to sunny Italy, when the world has dried its tears. And I'll do the things I've longed to do, for years and years and years." I said, "go on." He said, "that's all I have, so far. But its going to be the next song hit. Anyway," he added, "you've just sat in at the birth of the next Number One on the Hit Parade." Well, I've been a number of things in my varied career, but this was the first time I was attending obstetrician at the birth of a new song. . . . A tall, well dressed man, wearing a top hat, walking along Central Park South, holding a huge turkey drumstick in a gloved hand and blithely munching it—the drumstick, not the hand. . . . Dimmed out Fifth Avenue is an awe inspiring sight these nights. Outlines of skyscrapers against the murky skies seems like the stuff nightmares are made of. Crossing Fifth Avenue the dim headlights of autos bearing down on you look unreal. Sometimes wonder how drivers can see the pedestrians. . . . Night clubs all girding themselves in preparation for big New Year doings. Most of them will give out noise makers, and those funny hats you wouldn't be caught dead in on other nights. So, until 1943—A Happy New Year . . . and try an aspirin BEFORE you celebrate. It will save you headaches the morning after.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 2314)

in acting as it does reflects a condition within such industries. And if the stocks representing such industries refuse to act according to known news the answer isn't so hard to find.

I am well aware of having written here that the market is the beginning and the end-all of everything that can, may, or will affect it. And that no one need delve too far into causes if he has market savvy, for it is this so-called market savvy which will answer all questions in terms of dollars and cents. But the plain truth is that ability to read markets in terms of the future is not a static thing. What was true of last year, last month, or even last week no longer is true today. A world in a state of revolution doesn't permit of the application of outmoded yardsticks.

Do you want to know what the world of tomorrow will be? Well, read Wallace's latest speech. If you agree with his plan—and it's probably the Administration plan—how can you apply your knowledge of markets to this new world? I can't do it. You read of a Beveridge Plan. You also hear that some such plan will shortly be recommended here. How will it affect the market? Frankly I don't know. It's not enough to say that an anti-New Deal Congress will put a stop to further social planning. For one reason the world does not stand still. For another, and a bit more realistic one, no security trader can be oblivious to unpleasant possibilities. It's better to count on them rather than to shrug them off. If they don't materialize, well and good. If they do he won't be caught unprepared.

* * *

Meanwhile what about the immediate market past and its future? Well, Monday saw a volume decline—Dow averages went off about a point and a half and volume of more than a million shares. Tuesday saw more decline with volume still above a million. Yesterday saw firmness, with a volume decline. But steels, which up to now have done little, began to perk up. Ordinarily this would be a bullish indication. occurs. Another and severer But belated group or individual strength after an extensive rally is often not only short lived but frequently marks the beginning of an important decline. Even firmness at this stage of the market cycle is not a good sign. With the Russian offensive, the new Congress and our improved war prospects, the market should rally. So firmness on good news is not enough. It creates an air pocket which bad news can drive the market into.

* * *

My considered advice therefore is to postpone new buying until one of two things occurs. Another and severer decline or a successful attempt to penetrate recent highs. If the latter occurs you may have to pay more for stocks but I think they'll be cheaper at higher prices than they are now. Meanwhile all commitments should be retained, keeping in mind the prices which this column regards as critical.

* * *

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

New Uptown Branch For J. R. Williston & Co.

J. R. Williston & Co. will open a new branch office at 1 East 57th Street, New York City. The main office of the firm, which is a member of the New York Stock Exchange, is located at 115 Broadway, New York.

Westfall In Armed Forces

Ercell G. Westfall, a partner in W. K. Archer & Co., Kansas City, Mo., is now serving in the armed forces and is stationed at Camp Chaffee, Arkansas. Mr. Westfall will remain an inactive partner in W. K. Archer & Co. during his absence.

"Reserve" Tonight
FOR THE PLEASURE OF TASTING
AMERICA'S FINEST WHISKEY
SCHENLEY
Royal Reserve
SCHENLEY ROYAL RESERVE, 60% Grain Neutral Spirits.
BLENDED WHISKEY, 86 Proof. Schenley Distillers Corporation, N. Y. C.

The Penthouse Club
30 CENTRAL PARK SOUTH
Adjoining The Plaza
A most unique restaurant in a beautiful location, overlooking Central Park to the north.
Serving best food, skilfully prepared.
Entertainment after 11 P. M.
Telephone PLaza 3-6910

LAMBORN & CO.
99 WALL STREET
NEW YORK CITY
SUGAR
Exports—Imports—Futures
DIgby 4-2727

Calendar of New Security Flotations

OFFERINGS

BEDFORD PULP & PAPER CO., INC.

Bedford Pulp & Paper Co., Inc., has filed a registration statement with the SEC for $700,000 face amount of first closed mortgage 5% sinking fund bonds. The bonds will be dated Dec. 1, 1942, and mature Dec. 1, 1949.

Address—Big Island, Va.

Business—Company is engaged in the manufacture, distribution and sale of Nine Point paperboard. This is a paper material which is used to form the inner corrugated part of corrugated paperboard employed in making containers for packing and shipping merchandise. Plant is located at Big Island, Va., where company also owns water rights and hydraulic works on the James River. A wholly-owned subsidiary, Bedford Timber & Land Corp., owns and leases timber lands from which the company derives a part of its supply of pulpwood.

Underwriting—Coffin & Burr, Inc., Boston, $550,000, and Whiting, Weeks & Stubbs, Inc., Boston, $150,000.

Offering—It is proposed to offer the bonds to the public at 99¾.

Proceeds—The net proceeds to be received by the company from the sale of the first closed mortgage 5% bonds is estimated at $658,910 and they will be used, together with $289,000 of 5% debenture notes which are to be issued concurrently with these bonds, to retire $225,000 face amount of Series A mortgage bonds 4% and $714,000 Series C mortgage bonds 5%, total $939,000. The remainder of the cash proceeds from the sale of the bonds will be added to the working capital of the company.

Registration Statement No. 2-5072. Form A-2. (12-11-42).

Registration effective 1 p.m. (EWT) on Dec. 19, 1942.

Offered Dec. 21, 1942, at 99¾ and int.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, JAN. 7

SHERIDAN BELMONT HOTEL CO.

G. W. Rosseter and others as trustees under a voting trust have filed a registration statement with the SEC for voting trust certificates for 6,813 shares of common stock, no par value of Sheridan-Belmont Hotel Co.

Address—Address of trustees, Securities Service Corp., 310 South Michigan Ave., Chicago. Address of hotel, southwest corner of Sheridan Road and Belmont Ave., Chicago.

Business—Owns and operates an apartment hotel building.

Underwriting—No underwriting.

Offering—Registration of 6,813 certificates is on the assumption that all of the present holders of participating certificates will agree to the extension of the present trust agreement. If less than all of the holders of participating certificates consent, the trust agreement will apply only to those who do consent.

Purpose—For extension of voting trust agreement. The securities are presently subject to a trust agreement which expires April 1, 1943. It is proposed to extend the agreement to April 1, 1953.

Registration Statement No. 2-5074. Form F-1 (12-19-42).

SATURDAY, JAN. 9

GROUP SECURITIES, INC.

Group Securities, Inc., has filed a registration statement with SEC for 3,000,000 shares of capital stock of the par value of 1 cent per share. For registration purposes the aggregate amount of the proposed offering is placed at $21,900,000

Address—No. 1 Exchange Place, Jersey City, N. J.

Business—Investment trust.

Underwriting—Distributors Group, Inc., is named principal underwriter.

Offering—It is proposed to offer the 3,000,000 shares at prices based on fluctuating market prices and shares will be issued in the class or classes as selected by investors, such classes covering a number of different types of industry.

Proceeds—For investment.

Registration Statement No. 2-5075. Form A-1. (12-21-42)

TUESDAY, JAN. 12

PUBLIC SERVICE CO. OF NEW HAMPSHIRE

Public Service Co. of New Hampshire has filed a registration statement with the SEC for $22,000,000 first and general mortgage bonds, series A 3¼% to be dated Jan. 1, 1943, maturing Jan. 1, 1973.

Address—1087 Elm St., Manchester, N. H.

Business—Company is engaged principally in the generation of electric energy and its transmission, distribution and sale to about 78,300 domestic, commercial, industrial, agricultural and municipal customers in New Hampshire and Vermont. It also manufactures and distributes gas.

Underwriting—To be supplied by post-effective amendment.

Offering—Company proposes to sell the bonds at competitive bidding pursuant to the rules of the Commission. Contemporaneously with the issuance of the bonds, company will issue and sell 3,284 shares of its common stock, no par value, to New England Public Service Co., parent of the company, at a price of $60 per share flat or $197,040, and will issue and sell $2,500,000 face amount of its unsecured notes at private sale to financial institutions.

Proceeds—The aggregate net proceeds of said bonds, notes and common stock will be used to pay principal, premium and 30 days' interest in the redemption of all of the company's first mortgage bonds aggregating $18,929,000 face amount, to pay off bank loans totaling $1,000,000, to purchase from Twin State Gas & Electric Co. the utility properties and other assets of its New Hampshire division $4,281,897, to purchase certain assets from New England Public Service Co. $197,080 and other corporate purposes. All companies are subsidiaries of NEPSCO and transactions are the second step in the proposed simplification of NEPSCO. First step was the recently consummated merger of Cumberland County Power & Light Co. with Central Maine Power Co. Third step contemplates the acquisition by Central Vermont Public Service Co., also a subsidiary of NEPSCO, of the remainder of the assets of Twin State located in Vermont by merger.

Registration Statement No. 2-5076. Form A-2. (12-24-42)

SATURDAY, JAN. 16

PUGET SOUND POWER & LIGHT CO.

Puget Sound Power & Light Co. has filed a registration statement with the SEC for $52,000,000 first mortgage bonds series due Dec. 1, 1972, and $8,000,000 debentures due Dec. 1, 1951. The interest rates will be supplied by amendment.

Address—860 Stuart Building, Seattle, Wash.

Business—Applicant's properties consist, generally speaking, of electric, gas, steam heat and telephone utility properties located in the central and western portions of the State of Washington. It is engaged principally in the business of generating, transmitting, distributing and selling electric energy in all or parts of 19 counties in the western and central portions of the State of Washington, comprising approximately 4,500 square miles.

Underwriting—Names of underwriters will be supplied by post-effective amendment. The company proposes to sell both the bonds and debentures at competitive bidding. The invitation for bids will provide that each bid covering the bonds shall specify the coupon rate (which shall be a multiple of ¼%) and the price to be paid to the company for the bonds; and each bid covering the debentures shall specify the coupon rate (which shall be a multiple of ⅛%) and the price to be paid to the company.

Offering—The offering price to the public will be supplied by post-effective amendment.

Proceeds—Net proceeds from the sale of the new bonds and the new debentures, together with general funds of the company, are to be used for: Redemption of the old bonds, series A, in the face amount of $36,039,500 at 101½%, or $36,580,093; redemption of the old bonds, series C, in face amount of $8,850,000 at 102%, or $9,027,000, and redemption of old bonds, series D, in face amount of $13,995,000 at 102%, or $14,274,900, or grand total of $59,881,993. There is pending before the SEC an application under Section 11 (e) of the Public Utility Holding Company Act of 1935, by Engineers Public Service Co.—parent company—to which Puget joined as a party, for the approval of a plan for recapitalization of Puget. This plan, if approved, would reduce the percentage of voting power of Puget owned by Engineers from 77.4% to 1.8%. Engineers has been ordered by the Commission to dispose of its entire interest in the company. Engineers has advised Puget that it intends to comply with this order as soon as it can do so.

Registration Statement No. 2-5077. Form A-2. (12-28-42).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMPAL-AMERICAN PALESTINE TRADING CORP.

Ampal-American Palestine Trading Corp. has filed a registration statement with the SEC for 182,000 shares 4% preferred, cumulative non-voting stock, par value $5 per share

Address—1440 Broadway, New York City

Business—The corporation was organized for the purpose of developing trade relations between the United States and Palestine and its surrounding territories; to assist in the development of the economic resources of Palestine and to afford financial aid to commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, in and relating to Palestine. Company was organized Feb. 6, 1942, in New York.

Underwriting—There are no underwriters. The securities will be sold through the efforts of the directors and employees of the issuer

Offering—The offering price to the public will be $5.50 per share, for a total of $1,001,000. Date of proposed public offering is Dec. 1, 1942

Proceeds—A number of schemes for investment by the corporation of the proceeds of this issue have been considered by its directors. No final decisions have been reached, and no commitments have been made, except that, in a general way, and subject to re-examination, the directors believe that the corporation could with profit to itself and with substantial benefit to the economic organization of Palestine, make investments for the purposes indicated in its organization

Registration Statement No. 2-5061. Form A-1. (11-19-42)

Amendment filed Dec. 24, 1942, to defer effective date.

P. L. ANDREWS CORP.

P. L. Andrews Corp. has filed a registration statement with the SEC for $360,000 first mortgage convertible 5½% bonds, series A, maturing serially from 1943 to 1957.

Address—7800 Cooper Ave., Glendale, New York, N. Y.

Business—General character of the business done by the corporation is the design, development, manufacture and sale of paper packaging and wrapping materials in a variety of forms of envelopes, folders, wrappers, folding boxes and containers. Primarily because of the nature of the plant and products of the corporation, it is anticipated that the war or conditions arising therefrom will not alter substantially the general character of the business or products of the corporation

Underwriting—No firm commitment has been made to take any of the securities registered, but P. W. Brooks & Co., Inc., New York City, is the principal underwriter, as defined in the Securities Act of 1933

Offering—The securities will be offered at prices ranging from 99½ to 102¼ depending upon maturity date

Proceeds—Net proceeds will be used to discharge a proposed demand bank loan, to reimburse the corporation for machinery acquired and balance for such additional production facilities as are needed.

Registration Statement No. 2-5058. Form A-2 (10-28-42)

Request for withdrawal of specified material filed Nov. 18, 1942

Amendment filed Dec. 18, 1942, to defer effective date

CURTISS CANDY CO.

Curtiss Candy Co. has filed registration statement with the SEC covering 30,000 shares of participating preferred stock, par value $100

Address—622 Diversey Parkway, Chicago

Business—Company is one of the largest and leading candy and confection manufacturers in the United States

Offering—Registrant proposes to offer the participating preferred shares registered, at $100 per share. The entire amount of the consideration received shall be credited to capital account. It is not proposed to pay any commissions or underwriting fees with respect to the sale of the stock. Approximate date of proposed public offering Nov. 25, 1942

Underwriting—There is no commitment of any kind with respect to the sale or underwriting of the securities registered

Proceeds—Will be used principally in the acquisition of similar types of business $700,000; additional farm lands $750,000; trucks $100,000; raw commodities for purpose of stabilizing inventory $250,000; to provide funds for payments under pension and profit-sharing plans for its employees $900,000; in reduction of indebtedness on farm properties $200,000, and for additional working capital $75,700

Registration Statement No. 2-5059. Form A-2. (11-14-42)

Hearing on suspension of registration set for Dec. 15, 1942, as SEC states it has reasonable cause to believe that statement includes "untrue statements of material facts"

FIREMAN'S FUND INSURANCE CO.

Fireman's Fund Insurance Co. has filed registration statement with SEC for 64,086 shares of $10 par value common stock

Address—San Francisco, Calif.

Business—Fire, motor and marine insurance, etc.

Offering—After reclassification of securities to offer 33,738 shares of Fireman's $10 par common and scrip for fractional shares in exchange for 44,984 shares of $10 par common of Home Fire & Marine Insurance Co. of California on basis of 75/100ths share of Fireman's Fund for one share of Home; and 30,348 shares of Fireman's in exchange for 67,440 shares of $10 par com- of 45/100ths share of Fireman's Fund for mon of Occidental Insurance Co. on basis one share of Occidental

Underwriting—There are no underwriters

Proceeds—To be issued under plan of exchange

Statement filed in San Francisco

Registration Statement No. 2-5051. Form A-2. (10-15-42)

Registration statement effective 4:30 p.m. (EWT) on Dec. 1, 1942.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956 and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2 (9-17-41)

Amendment filed Dec. 17, 1942, to defer effective date

GRAND FORKS HERALD, INCORPORATED

Grand Forks Herald, Incorporated, has filed a registration statement with the SEC for $170,000 4½% first mortgage serial maturity bonds, dated Sept. 1, 1942 Bonds will mature as follows: $12,000 on each Sept. 1 from Sept. 1, 1943 to and including Sept. 1, 1951; $62,000 on Sept. 1, 1952

Address — 118 North Fourth Street. Grand Forks, N. D.

Business—Newspaper publication

Offering—Bonds are to be offered at prices ranging from 100.50 and interest to 104.08 and interest

Underwriting—Kalman & Co., Inc., St. Paul, is the sole underwriter

Proceeds—The net proceeds, together with other funds of the corporation, are to be used to retire as of Jan. 1, 1943, the corporation's 6½% 15-year sinking fund debenture bonds due Sept. 1, 1944

Registration Statement No. 2-5049. Form A-2. (10-12-42)

Registration effective 5.30 p. m. ESWT on Nov. 9, 1942

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Amendment filed, July 30, 1942 to defer effective date

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Registration Statement effective 11 a.m. (EWT) on Dec. 22, 1942, as of 5:30 p.m. (EWT) on Dec. 8, 1942.

NATIONAL RESERVE ASSOCIATION, INC.

National Reserve Association, Inc., has filed a registration statement with SEC for 350,000 shares of common stock, par value $1 per share.

Address — Michigan Trust Building, Grand Rapids, Mich.

Business—New investment company, incorporated Nov. 11, 1942.

Offering—Sold prior to registration to officers 1,000 shares at $1 per share. To be publicly offered at $1 per share 349,000 shares.

Underwriting—No underwriter named.

Proceeds — To provide capital requirements of face amount certificate of company and for working capital.

Registration Statement No. 2-5067. Form A-1. (12-3-42)

Registration Statement withdrawn Dec. 22, 1942.

NU-ENAMEL CORPORATION

Nu-Enamel Corporation filed a registration statement with the SEC for 106,500 shares of common stock, $1 par value

Address—8 South Michigan Ave., Chicago

Business—The company is engaged in the distribution and sale of enamels, paints, varnishes, linoleum finish, stains, polish and kindred lines, which are principally distributed under the trade name "Nu-Enamel." The products sold by the company are manufactured by Armstrong Paint & Varnish Works, of Chicago, under contract in accordance with the company's formulae and specifications

Underwriting—Floyd D. Cerf Co. is the principal underwriter.

Offering—The principal underwriter is granted the option, until close of business Dec. 31, 1942, to purchase at $1.50 per share all or any part of 72,500 shares of common stock of the company from C. L. Lloyd and all or any part of 34,000 shares from Gladys Lloyd. There is no firm commitment to purchase any of said shares. The principal underwriter has agreed to pay a finder's fee to American Industries Corp., Detroit, Mich., in the amount of 5 cents for each share of common stock purchased by the principal underwriter from the selling stockholders. Offering price to the public will be supplied by amendment

Proceeds—The shares to be offered are already issued and proceeds will go to the individual sellers of the shares

Registration Statement No. 2-5029. Form A-2. (8-1-42)

Nu-Enamel Corporation on Aug. 26 filed an amendment to its registration statement giving the public offering price at $2 per share

Registration effective 5:30 p.m. EWT on Sept. 14, 1942

STEEP ROCK IRON MINES LIMITED

Donald M. Hogarth, Julian G. Gross and Russell D. Bradshaw, voting trustees, have filed a registration statement with SEC for voting trust certificates for 562,500 shares of capital stock without nominal or par value of Steep Rock Iron Mines Limited.

Address—3100 Canadian Bank of Commerce Building, Toronto, Ontario, Canada. Address of corporation, 25 King St., West, Toronto.

Offering—See registration statement of Steep Rock Iron Mines Limited No. 2-5070.

Proceeds—To deposit shares in a voting trust.

Registration Statement No. 2-5071. Form F-1. (12-9-42)

STEEP ROCK IRON MINES LIMITED

Steep Rock Iron Mines Limited has filed a registration statement with SEC covering $2,250,000 5½% sinking fund debentures, due Dec. 1, 1957.

Address—25 King St., West, Toronto, Ontario, Canada.

Business—Mining. Company owns property comprising approximately 7,000 acres in the Steep Rock Lake area, near Atikokan, Ontario, Canada, containing large bodies of high-grade iron ore. The property includes all of Steep Rock Lake, under which the known ore bodies lie.

Underwriter—Otis & Co., Cleveland, O., is principal underwriter. In the underwriting agreement Otis & Co. agreed to purchase and the company has agreed to sell the $2,250,000 face amount of debentures covered by the registration statement and 562,500 shares of the company's capital stock. The rate to be paid by the underwriter for each $1,000 face amount of debentures and shares of stock will be supplied by amendment. The capital stock is to be deposited under a voting trust agreement.

Offering—Price to the public per unit consisting of $1,000 face amount of debentures and voting trust certificates for one share of capital stock will be furnished by amendment.

Proceeds—For plant, equipment, drilling, development and working capital.

Registration Statement No. 2-5070. Form A-1. (12-9-42)

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed Dec. 24, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendment filed Dec. 21, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed Dec. 12, 1942, to defer effective date

Half Of US Dailies Forced To Up Prices

Rising costs have caused more than half the daily newspapers in the United States to raise at least some portion of their circulation rate structure since the start of the war in 1939, Cranston Williams, General Manager of the American Newspaper Publishers Association, said on Dec. 16, according to the Associated Press.

The ANPA is conducting a survey of daily newspapers on circulation rate changes in 1942, and while still far from complete, returns thus far show 648 papers have announced advances.

The Associated Press further reported:

"Earlier this year—before many of the increases were made—a survey to which 1,777 newspapers replied showed the largest number, 806, were receiving five cents per single copy at retail. A year earlier 794 out of 1,821 replies were receiving five cents. The next largest group was the three-cent bracket, at 735, against 751 a year previously. Only 185 reported two cents, against 231 the previous year.

"These increases, replies explained, reflected rising costs in wartime. At the same time, the survey showed that while immediate response to price increases was in most cases reduced circulation for a short time, such losses were soon recouped, and that circulation generally was now at record levels.

"The trend toward higher circulation rates has embraced publications widely. Early this year, in the magazine field, both the 'Saturday Evening Post' and 'Collier's' increased their retail prices to 10 cents a copy from five, and many other magazines have taken similar steps.

"The Federal wartime price ceilings specifically exempt publications. In Canada, the price ceilings effective a year ago at first included publications, but they were later exempted.

"One newspaper, explaining its increased price to its readers, said:

" 'The cost of producing a newspaper is much more than the subscriber is asked to pay. The difference is made up by advertising. But, with a decline in advertising, due to Government restrictions on many commodities, and with increased productions costs, we were faced with the choice of lowering the quality of our paper or increasing the price. We have chosen the latter, which we believe will meet with the reasoned approval of our subscribers.'

"Among the higher cost items noted by publishers was that of motor route delivery, with rationing of gasoline and tires adding to the problem. Increased delivery costs were common during the year.

"In larger cities, where single copy sales are a major part of circulations, higher wholesale prices to newsstands and other dealers were found fairly general.

"The revision of rates ranged from minor fractions of a cent on wholesale lots to a cent or two on retail sales, some papers boosting every charge in their circulation rate structure.

Childs of Stein Bros. & Boyce Calls Ceilings, Saving Best Weapons Against War Inflation

(Continued from page 2314)

curb, prevent, or control inflation?

"Economically speaking, the answer is yes, but it is not so easy, politically speaking. By that I mean there are so many folk who always look out for Number One that it is not always possible to get the necessary laws through Congress."

Canada, according to Mr. Childs, is a country which has won the battle against inflation.

"Canada's over-all price ceiling, which went into effect Dec. 1, 1941, has proved effective in checking an inflationary rise in the cost of living in the Dominion; and now, a year later, the Canadian authorities announce a reduction in the retail prices of milk, tea, coffee and oranges through tax remissions and subsidies at an estimated cost of $40,000,000 to the Government.

"This is good work, but you can see that it is not perfect, because of the cost to the Canadian Government, which means the Canadian taxpayers will pay the bill. This, then, is how the Dominion of Canada is at least curbing if not preventing inflation."

The situation in the United States is well in hand, Mr. Childs declared, thanks to stringent regulations concerning price ceilings and wage stabilizations as well as "a saving spree, contrasted with the spending spree of the last war."

"The individual," he continued, "is also preventing inflation by reducing and liquidating his loans and debts of all kinds. The best evidence that this is being done is the news the other day that loans on life insurance policies were being reduced at the rate of $18,000,000 a month.

"I did not come here to talk about war bonds and stamps, but you just cannot say much about how to prevent the inflation that threatens us without stating that one of the most effective ways, is to buy war bonds and stamps and less non-essentials.

"There is an easy way, but it is an inflationary way, to oversubscribe the $9,000,000,000 Victory Loan, and that is through the commercial banks.

"As an example, a commercial bank buys, say, $1,000,000 of bonds, pays the Government for them, receives the bonds, and the Government, having no bank of its own, turns around and deposits the $1,000,000 in the bank. So the bank's deposits are increased $1,000,000 and it also has the use of the $1,000,000 deposited by the Government, until the Government withdraws it and pays for war goods; and in the meantime can borrow money on the $1,000,000 of bonds if it so desires. That's a vicious spiral which could get beyond control."

Further Restrictions On Travel, Shipments Foreseen By Nelson Of War Production Bd.

The nation faces still more drastic restrictions on travel and shipment of goods, Donald M. Nelson, Chairman of the War Production Board, warned on Dec. 20, suggesting that it might be advisable to store food, fuel, clothing, and health supplies adjacent to large consuming centers as one safeguard against distribution breakdowns. In a letter to Senator Murray (Dem., Mont.), Chairman of the Senate Small Business Committee, Mr. Nelson gave a preview of the war days ahead on the home front, the civilian economy greatly reduced and bringing a train of problems on which he asked the advice of the Committee.

With the nation becoming increasingly converted to the war effort, Mr. Nelson said his activities were being directed toward seeing that the "minimum" civilian needs are supplied.

In seeking the Senators' suggestions on the problems fast developing, Chairman Nelson asked them to give special consideration to these five points, according to the Washington "Post" of Dec. 21:

1. "The needs of the essential war supplies, whether for the armed services or for the supporting civilian population, require a maximum utilization of all our productive resources including manpower, womanpower, rail, water and highway transportation, light, heat, power, communications, scarce materials and building and storage space.

"There can be no fat in our distribution system any more than in any other part of our economy. It, too, must be as efficient as it can be made to be to accomplish the purpose of getting essential goods into the hands of civilian consumers. It follows that the number of outlets may have to be reduced; cross-hauling eliminated; delivery, distances and frequency of purchase minimized, and services and frills curtailed.

2. "The quantity and variety of goods available to consumers have already been greatly curtailed and the full effect of this will be felt rigorously in the near future as stocks now in our warehouses and shelves are used up.

"In connection with our distribution system we must squarely face the fact that the entire lines of some distributors will be eliminated and major parts of the lines of others will no longer be available.

"These facts suggest that the amount of merchandise to be distributed cannot possibly support a distribution system as large or as varied as that which we now have.

"This means the elimination of many stores and poses grave problems as to whether such elimination should take place through the natural operations of the competitive system or whether varying degrees of Governmental guidance should be undertaken in connection with the preservation of units necessary to place products into consumers' hands.

3. "The mobility of consumer will be greatly restricted, both of necessity and by way of consumer choice. Travel by automobile is due for restriction much more drastic than that obtaining today. Travel by common carrier will be increasingly inconvenient and in many instances not permissible.

"Reduced variety of goods, rationing, price control, value of time to the individual and the general level of consumer incomes are among the factors which will reduce consumers' desire to 'shop around,' or to buy at a distance from home.

"It is conceivable that military factors may even necessitate the restriction of travel and of freight movement in certain areas. These factors suggest that goods must be available to consumers close to their homes and that such locally available merchandise should cover the whole range of essential needs.

4. "The centers of population have already changed considerably and further change will occur. The primary aspect of this problem is the migration of workers to centers of war production and military establishments.

"Many industrial centers have multiplied their populations; many other communities have grown from nothing around new plants and military establishments, other centers have shrunk correspondingly. Thus, the geography of distribution has changed and will change further.

5. "The possibility is before us that whatever the system which emerges, it may be subject to breakdown for shorter or longer periods and in smaller or larger areas. There may be occasions, hours, days or weeks in duration, when civilian goods cannot be moved in adequate quantities to or from certain areas.

"It may well be advisable, therefore, to have considerable inventories of food, fuel, clothing and health supplies stored adjacent to consumers at all times against such an eventuality."

Morgenthau Still For Killing Silver Laws

Secretary of the Treasury Morgenthau said on Dec. 14 that he is still of the opinion that Congress should strike all of the silver legislation from the statute books and that he favors removing restrictions which prevent use of silver in war and industrial production.

The Secretary called for repeal of all silver laws last February in an appearance before the House Appropriations Committee (referred to in these columns Feb. 19, page 765).

Under the silver laws the Treasury cannot sell any of its silver for consumption, although it has loaned silver for industrial purposes which however must be returned. Strong signs developed in the House on Dec. 10, according to the United Press, that a new and intensified effort will be made in the next Congress to throw out the Administration's entire sliver purchase program.

Review of the "whole question" of the Treasury's silver policy was promised by Representative Andrew L. Somers, Dem., N. Y., Chairman of the House Coinage Committee, who said he would call a committee meeting for that purpose early in the next session.

The program has been under steady fire since the Silver Purchase Act was adopted in 1934, but the anti-silver bloc in Congress has redoubled its assault under the spur of critical shortages of industrial silver.

Mr. Morgenthau was said to have expressed himself in favor of the enactment of the Green bill, action on which, it may be noted, was blocked in the Senate before the close of the recent session of Congress.

Insolvent National Bank Dividends

Comptroller of the Currency Preston Delano announced on Dec. 19 that during the month of November, 1942, the liquidation of three insolvent national banks was completed and the affairs of such receiverships finally closed. The announcement added:

"Total disbursements, including offsets allowed, to depositors and other creditors of these three receiverships, amounted to $3,059,286, while dividends paid to unsecured creditors amounted to an average of 46.43% of their claims. Total costs of liquidation of these receiverships averaged 10.58% of total collections from all sources, including offsets allowed.

"Dividend distributions to all creditors of all active receiverships during the month of November, amounted to $935,630."

Bell Named NY Bank Supt.

The appointment of Elliott V. Bell, a member of the editorial board of the New York "Times," as New York State Superintendent of Banks was announced Dec. 21 by Governor-elect Thomas E. Dewey. Mr. Bell, who will take office on Jan. 1, will succeed Jackson S. Hutto, former counsel to the Banking Department, who has been Superintendent of Banks since Oct. 30, when he took the office left vacant by the resignation of William R. White.

Mr. Hutto has resigned, effective Dec. 31, from the Banking Department to become associated with the law firm of Chadbourne, Wallace, Parke & Whiteside. His connection with the Department dates back to 1934, when he was principal attorney.

Governor-elect Dewey said he considered the State "extremely fortunate" in Mr. Bell's acceptance of the post of Superintendent of Banks. Mr. Dewey also said that Mr. Bell had been reluctant to leave his post on the "Times" but finally agreed that "in times such as these if he could render service to the stability of the banking system of the State, which is by all odds the most important State banking system in the country, it was his duty to do so."

A native of New York City, Mr. Bell attended public school here, De Witt Clinton High School and Columbia University, from which he graduated in 1925. After several years of travel, study and free-lance writing, Mr. Bell, in 1929, joined the Wall Street staff of the New York "Herald-Tribune" as a specialist in banking and money. Later that same year he transferred to the New York "Times," covering banking and money developments for the next 10 years and becoming assistant financial news editor. From the "Times" we also quote:

"In 1939 Mr. Bell became economic consultant to Mr. Dewey and participated in the latter's pre-Presidential campaign. In 1940 he was a member of the advisory staff of Wendell L. Willkie, Republican Presidential candidate, and in 1941 became a member of the "Times" editorial board.

"He is also consulting economist on the Committee on Employment in New York City, recently appointed by Mr. Dewey to study and report on declining business and employment opportunities here."

Lend-Lease For Ethiopia

President Roosevelt on Dec. 10 ordered that Ethiopia be included in the list of countries eligible to receive lend-lease assistance from the United States. This action follows the recent decision of that country to ally itself with the one of the United Nations. The adherance of Ethiopa, the first nation to regain its territory after temporary occupation by an Axis aggressor, to the Declaration by United Nations, was reported in our issue of Oct. 22, page 1451. The action of President Roosevelt was made known through a letter to E. R. Stettinius Jr., Lend-Lease Administrator, made public as follows by the White House:

"For purposes of implementing the authority conferred upon you as Lend-Lease Administrator by Executive Order No. 8926, dated Oct. 28, 1941, and in order to enable you to arrange for lend-lease aid to the Government of Ethiopia, I hereby find that the defense of Ethiopia is vital to the defense of the United States."

BIDS MADE ON BONDS WITH

COUPONS MISSING
OR
MUTILATED

Inquiries Invited

S. H. JUNGER CO.
40 Exchange Pl., New York
Phone Digby 4-4832 Teletype N. Y. 1-1779

The Business Man's Bookshelf

Facts About Social Insurance—Insurance Economics Society of America, 176 West Adams Street, Chicago, Ill.—paper pamphlet.

How Can We Pay for the War by Maxwell S. Stewart—National Bureau of Economic Research, 1819 Broadway, New York City—paper—10c.

Renegotiation of War Contracts by Sim C. Binder—Reprint from New York Law Journal—Sim C. Binder, 521 Fifth Avenue, New York City.

Who Does Pay the Taxes? by Helen Tarasov, introduction by Jacob Marschak—New School for Social Research, 66 West 12th Street, New York City—paper cover—25c.

Bond Club Of Denver Members Serving U. S.

DENVER, COLO.—The following members of the Bond Club of Denver are now serving in the armed forces or are devoting their time to defense work:

In the Armed Forces

Corp. John H. Alf, Battery K, 202 CA (AA), 1st Artillery Antiaircraft, Seattle, Wash.

Lt. Norman C. Barwise, USNR, VGS 28, Fleet Postmaster, Norfolk, Va.

Lt. Charles Boettcher II, Arrowhead Springs Hotel, Arrowhead, Calif.

Lt. Col. Alfred G. Brown, 906 Main Avenue, Brownwood, Texas.

Capt. Donald F. Brown, 6th Air Base Squadron, Salt Lake City Air Base, Salt Lake City, Utah.

Ensign Glen B. Clark, Naval Training School, Tucson, Ariz.

Lt. Lester D. Fedderman, Lincoln Air Base, Lincoln, Neb.

Air Cadet William D. Fitzsimons, San Antonio Aviation Cadet Center, San Antonio, Tex.

Ensign John W. Fuller, Jr., Naval Aviation Cadet, Selection Board, 796 Peachtree Street, Atlanta, Ga.

Pvt. George Godfrey, 6th POTC, Aberdeen Proving Grounds, Md.

Capt. Gray B. Gray, Napier Field, Dothan, Ala.

Lt. Com. Norman F. Godbe, Office of Naval Officer Procurement, Central Tower Bldg., 705 Market Street, San Francisco, Calif.

Ensign John L. Gray, U. S. Naval Hospital, Corona, Calif.

Pvt. Richard Green, Austraila.

Capt. Paul H. Hadley, Replacement Wing, Salt Lake City, Utah.

Prather Hagerman, Miami Beach, Fla.

Melvin Horn, Treasure Island, Calif.

Lt. Jackson F. King, Fort Logan, Colo.

Lt. Channing F. Lilly, Jr., San Francisco Port of Embarkation, Vancouver Staging Area, Vancouver, Wash.

Louis Lyons, Honolulu.

Chief Petty Officer Leon Macart, Navy Recruiting Station, Pueblo, Colo.

Ensign J. Kenneth Malo, at sea.

Major Raymond W. Maxwell, 2627 Van Dorn Street, Lincoln, Neb.

William D. Morrison, OCS, Co. H, 2nd Regiment, Quartermaster School, Camp Lee, Va.

Jack N. Mowbray, SK 2-C, U. S. Coast Guard, San Diego, Calif.

Tech. Sgt. John Mullin, Jr., Supply Depot, Air Base, Casper, Wyo.

Lt. Col. W. F. Nicholson, Army Air Force in Transit, Depot No. 5, Port of Newark, Newark, N. J.

Major Canton O'Donnell, Camp Kearns. 576 E. South Temple, Salt Lake City, Utah.

Pvt. Frederick N. Pabst, Post Hospital, Medical Detachment, Fort Des Moines, Ia.

Corp. Robert Parker. No address.

Staff Sgt. Don L. Patterson, 6th Group Advanced GTD, Stuttgart Air Base, Arkansas.

Lt. (J. G.) Ray E. Sargeant, USNR, 1009 37th Avenue North, Seattle, Wash.

George Seeman, Lowry Field, Denver, Colo.

Seaman 1st Class Wesley Whitnah. No address.

Lt. George S. Writer, 1734 West Magnolia Street, San Antonio, Texas.

Lt. W. T. Tutt, AC, Wright Field, Dayton, Ohio.

Ensign Arthur F. Bosworth, c/o Naval Aviation Selection Board, Ferry Building, San Francisco, Calif.

Defense Work

Frederick A. Adams, OPA, Kittridge Building, Denver, Colo.

Waller C. Brinker, State Hdqrs. Selective Service, 300 Logan St., Denver, Colo.

Charles W. Doolittle, 411 Locust Street, Huntsville, Ala.

Charles B. Engle, District Mgr. Victory Committee, Federal Reserve Bank, Denver, Colo.

Paul Gorham, Denver Ordnance Plant, Denver, Colo.

Sam Hutchison, RFC, Boston Building, Denver, Colo.

Robert P. Lake, Rent Control Board, Box 197, Memphis, Tenn.

Gerald Plettner, Federal Reserve Bank, Denver, Colo.

Joe L. Raichle, State Department, Foreign Service, Washington, D. C.

Burdick Simons, Assistant Exec. Mgr., VFC, Federal Reserve District, Kansas City, Mo.

Fred Struby, OPA, Kittridge Building, Denver, Colo.

R. Hoe common
Warren Bros. old & new
Spokane Int'l R. R.
Stephenville N & S. Tex. 5s
•
HAY, FALES & CO.
Members New York Stock Exchange
71 Broadway N.Y. BOwling Green 9-7027
Bell Teletype NY 1-61

To All Of Our Business Friends . . .

Thank you *sincerely* for your favors to date.

At the end of 1943, we hope our business relationship will be one of *even closer cooperation and greater confidence*, due to its having met the additional test of the vicissitudes of another year.

Actual markets in a wide range of

OVER-THE-COUNTER SECURITIES

Kobbé, Gearhart & Company
INCORPORATED
Members New York Security Dealers Association
45 NASSAU STREET, NEW YORK

TELEPHONE REctor 2-3600 PHILADELPHIA TELEPHONE ENTERPRISE 6015 BELL TELETYPE NEW YORK 1-576

Finds War Conditions Peril Small Business

The House Small Business Committee, in a preliminary report to Congress on Dec. 18, listed these three critical stituations existing in the war effort which require immediate attention: (1) failure of the program of the Smaller War Plants Corporation; (2) policies of the Office of Price Administration threatening to destroy distribution in the United States, and (3) unnecessary reports and complexities and multiplicity of regulations.

In its report the Committee said it was shocked to find that the Smaller War Plants Corporation has had results in the South and Southwest which were "practically negligible," many localities having unused facilities which could be put into operation and many small manufacturers being unable to obtain any help through the Federal agency.

"It is the considered opinion of the House Committee," the report added, "that the failure of the program of the Smaller War Plants Corporation, as evidenced in our hearings, can be attributed to the management of the corporation."

As to the second section of the report, the House group said that the nation's existing system of consumer goods distribution "has been seriously undermined and weakened as a result of" OPA policies "and a collapse which might gravely imperil the entire war effort appears inevitable unless these policies are speedily corrected."

The two factors, which are "primarily responsible for this threatened breakdown on the home front" and which the OPA and the War Production Board could and should adjust, were listed by the Committee as "price squeezes" and "inequitable distribution of merchandise."

With regard to "price squeezes," the Committee's report said:

"In so many instances as, in the aggregate, to constitute an insuperable obstacle to thousands of distributors remaining in business, the operating margins between replacement costs and ceiling prices are too thin to permit of continued operations except at a loss. In some instances, the current replacement costs are actually higher than the current ceiling prices.

In other cases, the retail price ceiling has been so low as to induce a decline in the production of commodities vitally necessary to the health of the nation. The outlook for an adequate supply of dairy products, for instance, is dark indeed, unless the OPA will revise its retail price ceilings so as to stop an impending wholesale slaughter of milk cows. Many dairy farmers are finding it more profitable to sell their cows for meat rather than try to make a profit on their milk.

"The situations to which we refer are situations of long standing. The committee listened to complaint after complaint of urgent appeals to the OPA in Washington for relief from such situations, which were completely ignored, or which were handled with so many complications of red tape and bureaucratic buckpassing as to leave the complainants bewildered. The general inflexibility of price ceilings on the retail front is apparently widespread and is causing many retailers either to close their doors or to contemplate going out of business. The failure of OPA in this matter has seriously crippled and indeed threatens to destroy distribution in the United States. The obvious practical remedy for this is, of course, to pass on cost increases permitted by the government at any level to all other levels, plus each reasonable operating mark-up as will protect the retailer or other distributor against actual loss and the consumer from unwarranted gougings."

In addition "to the burden of price squeezes," the report continued, distributors face acute problems of obtaining a fair share of available consumer goods, the conclusion being "inescapable that some method for an equitable distribution of consumer goods is necessary if many distributors are to survive."

As to the third complaint of the Committee—"unnecessary reports and complexity and multiplicity of regulations"—the report said that while "certain administrative regulations are a necessary evil," the present situation "is one of bureaucracy run riot" and unless corrective measures are speedily taken, this factor alone will close the doors of thousands of businesses which might otherwise remain open." "And what is said here about unnecessary governmental red tape in the field of distribution, of course, applies equally to manufacturing," the report added.

Unless the conditions complained of are corrected, the Committee said, it will recommend at the next session of Congress legislation to "compel their correction in order to avert the destruction of independent small business and, with it, the middle class of this country."

A Happier New Year

M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

Firm Is Alcock Hill Co.

In the Financial Chronicle of Dec. 24 it was reported that Kenneth Hill was engaging in a securities business as an individual, with offices at Hingham, Mass. Mr. Hill informs us that his correct business address is Alcock, Hill & Co., 80 Federal Street, Boston, Mass., of which he is sole proprietor; the firm prior to Nov. 30 was a partnership.

Our Reporter On "Governments"

(Continued from first page)

cellent trading bond because of their availability to all types of buyers and the fact that many buyers of these bonds are reported to be in the trading mood and habit. . . .

The new "on sale" 2½s also may come in for more activity than normally would be looked for in a security of this type. . . . The fact that many buyers of these have the unregistered variety will encourage some in-and-out trading, it is said. . . .

Anyway, the very fact that we're seeing these premiums indicates the success of the deal. . . .

INSIDE THE MARKET

New York's contribution to the success of the December deal was so great and overpowering that even the Treasury officials haven't recovered from the pleasant shock as yet. . . . Subscriptions placed in New York reached close to 50 per cent of the entire deal, counting in the tax notes bought the first day of the drive (November 30) and the subscriptions placed in New York but allotted to other districts. . . .

Similarly, non-bank buying of the securities was better than anything seen to date. . . . Restriction on bank subscriptions, therefore, has worked out well. . . . It will be continued. . . . And effort will be made during the next "blitz" to get the "town and country" cash that was withheld this time. . . .

Little borrowing appeared among buyers of the bonds, according to reports, despite Secretary Morgenthau's approval of this method of buying Governments and the bank announcement that loans were available. . . . Privilege just isn't being taken advantage of as yet. . . . And commercial banks aren't borrowing from the Federal Reserve to buy Governments to any extent so far either. . . .

The borrowing angle, therefore, hasn't developed and maybe the decision will be to play it down as long as possible. . . . Borrowing-to-buy didn't work out well during the first World War. . . . While conditions are different now, there still is enough idle cash around to obviate the necessity of emphasizing this for a long while. . . .

Forced savings proponents discouraged by showing of December. . . . Billions this month were loaned voluntarily without maximums or minimums being specified. . . . So the minimums didn't become maximums as they tend to do under any forced savings program. . . . And the momentum of the campaign was quickened beyond all expectations as competition between Victory Fund Committees and between buyers entered the picture. . . .

Feeling is forced loan laws will be delayed—perhaps indefinitely—as a result of this demonstration. . . .

Spreads on municipals widening as result of large-scale sales of high-coupon municipals in recent weeks. . . . Sales inspired by decision of insurance companies, particularly, to switch out of high-priced municipals into "on sale" 2½s. . . . And market spreads are widening between high-coupon and low-coupon municipals and between high-coupon and Governments. . . .

Rate on discount bills last week was down to 0.363 per cent, indicating strength of market again. . . . Buying rate at Federal is ⅜ per cent. . . .

Final Edition THURSDAY In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4138 New York, N. Y., Thursday, December 31, 1942 Price 60 Cents a Copy

Washington Bank Protests WLB 'Red Tape'; Paper Work Required By Govt. Held Needless

Because a Washington bank wanted to give two clerks merited pay increases of $10 and $15 a month, its officials have found they would have to spend at least $300 in lawyers' fees to satify the "questionnaire" requirements of the National War Labor Board, records of the Byrd committee investigating non-essential Federal expenditures disclosed on Dec. 23. This is learned from Washington advices on that date to the New York "Herald Tribune," which added:

"The protest of C. F. Burton, president of the City Bank of Washington, against the 'red tape' demanded by one Government agency is one of many received by the committee. The Senate, at the committee's recommendation, recently approved the Vandenberg resolution which provides for a sweeping inquiry into the Government 'paper work' now deviling industry and agriculture."

From its Washington bureau the "Herald Tribune" also had the following to say regarding Mr. Burton's complaint:

"I enclose a copy of Form No. 10 of the National War Labor Board," wrote Mr. Burton. "We want to raise one employee from $165 a month to $175 and another from $150 to $165. The only reason we have is in the normal course of things it is time these men have a boost whether we are in the war or not. We have a total staff of 100. Now we must make five copies of this form, sending in four of them. You will note there are twelve pages in all."

"Mr. Burton said later that the information sought was not only unnecessary but difficult to get. What the W. L. B. wanted five copies for he did not pretend to know unless "they expected to store them in a garage somewhere." Meanwhile, he said, he would have to hire a lawyer to unwind the red tape."

Regarding the committee's inquiry into the WPB questionnaire, the same advices stated:

"In connection with the investigation, the committee has made an analysis of the latest questionnaire developed by the War Production Board—P. D. 25-A, an application for priority assistance under the requirement plans for the calendar months January-March, 1943.

"This colossal form, at first glance," said the committee memorandum, "consists of a mere 12 pages, but each of the 12 pages must be made out in two sets in quadruplicate, thus making 96 pages.

"Now if one were to count the reverse side of each page and include the carbon copies, one comes upon an amazing situation. Sixteen inches (the actual length of each page) multiplied by eight (the number of copies of each page) multiplied by twelve (the number of pages), bring the total to 1,536 inches in length, or exactly 128 feet of red tape.

"This report must be made quarterly, so at the end of one year the oppressed industrialist must fill out four times 128 feet

(Continued on page 2344)

FROM WASHINGTON AHEAD OF THE NEWS

By *CARLISLE BARGERON*

One of the new Republican senators to take his seat next month, Judge Homer Ferguson, of Detroit, is hailed as a great fact finder. He made a reputation as one in cleaning up Detroit's political corruption and racketeering. He used this reputation extensively in defeating one of the President's lieutenants, Prentiss Brown, and the publicity that has preceded his coming to Washington stresses his fact-finding ability. If ever a gentleman had an opportunity for service he has one. A fact-finder in Washington will stand out like the Washington monument.

Take, for example, the facts about the BEW's "preclusive" buying, the source of a serious current controversy between Jesse Jones, on the one hand, and Henry Wallace and Milo Perkins, on the other. The controversy was born of the New Dealers' efforts to run Jesse out of town and was part of the smear campaign against him in which non-New Deal enemies of Jesse joined. But soberer commentators have come in with the observation that Jesse is all right, with his "banker mind" in his own field, that there is an honest difference of opinion between the two groups and that the solution lies, not in running Jesse out of town, but in giving the BEW its own funds to do its "preclusive" buying with, so it won't be forever in conflict with Jesse.

This handy solution accepts the contention that BEW's operations

(Continued on page 2332)

Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

GENERAL CONTENTS

Editorials

Page
State the Strongest Case..........2330
How Did We Get This Way?.......†

†Eighth of a series of articles, appears on first page of Section 1.

Regular Features

Financial Situation 2329
From Wash. Ahead of the News....2329
Moody's Bond Prices and Yields....2335
Items About Banks and Trust Cos..2344
Trading On New York Exchanges.. *
NYSE Odd-Lot Trading............ *

*Omitted this week.

State of Trade

General Review 2330
Commodity Prices—Domestic Index.2335
Weekly Carloadings 2336
Weekly Engineering Construction..2338
Paperboard Industry Statistics.....2338
Weekly Lumber Movement..........2340
Fertilizer Price Index.............2337
Weekly Coal and Coke Output.....2339
Weekly Steel Review..............2337
Moody's Daily Commodity Index...2335
Weekly Crude Oil Production.......2337
Non-Ferrous Metals Market.........2339
Weekly Electric Output.............2337
Building Permits Off 41% From 1941 Total 2334
Federal Reserve November Business Indexes 2338
Cotton Ginned From 1942 Crop.....2338
Winter Wheat Sown for 1943 Crop..2343
General Crop Report At Dec. 1.....2339
Large City Living Costs Again Incr..2341
Gross and Net Railroad Earnings (October) 2342
American Zinc Institute Summary. *
Copper Institute Summary......... *
Pig Iron Production.............. *
Daily and Weekly Copper, Lead and Zinc Sales .... *

* These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in Aug. 27, 1942, "Chronicle.")

Miscellaneous

Washington Bank Protests Pay Increase "Red Tape"..............2329
Victory Loan Over $12 Billion Mark.2332
Wickard Calls for Essential Foods Increase 2332
November War Expenses $244,500,000 Daily 2332
Asks Mortgage Bankers to Curb Overbuilding 2332
Hull Pleads for Unity In War Effort 2332
More Newspapers Increase Subscription Prices 2332
FDR Lauds Maritime Service.......2332
Urges Pay Equalization for Govt. Employees 2333
Senate Small Business Group Meets 2333
ABA Appoints 12 to Executive Council 2333
Urges Industry Planning for Post-War Reconstruction 2333
FDR Praises Nation's Press.........2333
War Damage Insurance Policies On Money and Securities............2334
Farm Mobilization Day Jan. 12.....2334
Governors of Chicago Mercantile Exchange 2334
Agricultural Representatives On Manpower Group 2334
Details of Mexican Debt Payment..2334
Churchill Hopes U. S. Remains Permanent Ally 2335
Study Private Financing for War Housing 2335
Seeks Offerings of New South Wales Bonds 2335
Conference Board Reports Nov. Living Costs Higher.................2335
Phillips Named Envoy to India....2335
Additions to Special Treasury Depositaries 2336
Red Cross Expenditures for Foreign Relief 2336
Senate Group Asks Farm Price Inquiry 2336
Byrnes Empowered to Settle Food Disputes 2337
Fuel Oil Rations Increased in 13 States 2338
Roosevelt Thanks Egyptian Ruler for AEF Gift......................2338
U. S., Britain, Canada Form Steel Committee 2340
60% Govt. Employees in War Work.2341
Ayres Sees Gloomy Outlook for 1943.2342
Nov. Transactions in Govt. Issues..2342
Industry Association Appoints Committees 2342
Announce Payment On Cuban 5½s.2343
Morgenthau Explains Finance Policy 2344
ABA Booklet On Prudent Trust Investment Program 2344
Approves Bank Sub-Agents for War Bond Sales 2344
Ownership Certificates for Income Tax Records Eliminated 2344
Group to Set Draft Policy for Federal Employees 2331
Cuba's President Lauds Good Neighbor Policy 2331
House Group Defers Consideration of New War Powers Bill.........2331
War Costs 46 Billion in First Year.2331
Gas Ban in East for African Military Needs 2331

THE FINANCIAL SITUATION

One of the feuds in feud-ridden Washington which has been under considerable discussion of late involves the Vice-President and his right hand man in the Board of Economic Warfare, Milo Perkins, on the one hand, and the Secretary of Commerce and directing head of the Reconstruction Finance Corporation on the other. The origin of this controversy, if that is what it is, is found in the use for purposes of "economic warfare" of the funds of some of the subsidiaries of the RFC. It will be recalled that last spring the President issued an order under which these RFC agencies must obey "directives" of the Board of Economic Warfare in certain types of cases, which have become very numerous and which have cost the agencies many hundreds of millions of dollars, many of which they are not likely ever to see again. The directing head of the RFC is credited with never liking the way these funds have been cast upon the waters, and, of course, was not greatly pleased when he was in effect over-ruled by the President.

A Real Issue

A new Congress is soon to convene and it is reported that there is a distinct possibility that it will take substantial interest in the dispute—as indeed did the present Congress though not to the point of defying the President. Considerable personal animosity is said to have been aroused in the course of the months during which these matters have seethed in Washington, but it would be an error of magnitude to suppose that nothing more is involved than personalities, or the question of whether this official or that shall have final control in the matters in question. Fundamental war and post-war policies are at stake.

Relatively little is made known about the detailed activities of the Board of Economic Warfare, but this organization is charged with the duty of conducting what is known as economic warfare—involving the purchase in large quantities in many parts of the world of many things needed in the conduct of global warfare and also of acquiring many things not needed by us in order to prevent their

(Continued on page 2331)

Reckless and Dangerous

Wilson's failure was also his measure. It was probably the most colossal and heroic failure of modern times. If he had not been defeated in his struggle to secure permanent peace and the rights of nations, there would be no Armageddon today.

If Wilson had not been defeated France would still be a nation, and Norway and Holland and Czechoslovakia and Italy would be free. Greece would not be a charnal house; Poland would not be depopulated; Yugoslavia would not be a shambles. Because Wilson lost the battle for peace, millions of men have already died, and millions more will yet die.

And yet his work was not in vain. His ideals are today more challenging than ever. His words still glow—as the reader will discover in this book. There is good reason to believe that the world in general and the United States in particular have learned the bitter lesson.—S. K. Padover, Editor of "Wilson's Ideals."

It seems to us that it would be difficult to find more reckless statements and more dangerous propaganda in so few sentences. Yet Dr. Padover's words are typical of a vast volume of "internationalist" clamor heard today on all sides.

How could it be humanly possible for Dr. Padover, or anyone else, to know what would have happened if President Wilson had had his way?

Editorial—

State The Strongest Case

Now that a bill has been prepared for introduction in the new Congress to alter radically the 40-hour week legislation, and the issue seems certain to come up for debate, it becomes immensely important that opponents of this ill-advised restriction upon all-out war production state their case most carefully. Hitherto, when the issue came up for serious consideration, the opportunity for amendment or repeal was lost perhaps as much because of the incomplete and inadequate case stated by the opponents as because of the misrepresentations propagandized by friends of the legislation. That mistake should not be repeated.

Right at the outset, opponents of the 40-hour week should decide to concentrate their fire, to depend upon practical rather than theoretical considerations to win their case. They should aim squarely at the arguments used by New Dealers to keep the statute on the books.

One of these arguments, certainly attractive to the mass of voters, is the claim that the law does not restrict the work week to 40 hours—"Any plant can work 48 or 50 hours if the owners wish, only they must pay time and a half for the hours over 40," the proponents of the 40-hour week argue. A supplementary defense was "Why does the requirement for overtime payments matter—it all comes out of the Government's pockets anyway—so why don't the war industries work the longer work week?"

These are the arguments that have kept the 40-hour week law on the books. Just a week or so ago, Secretary of Labor Perkins re-stated then, when she pointed out that the war industries in general were working much longer than 40 hours a week despite the statutory overtime requirement. She declared that the war industries in October averaged 45.7 hours a week, and that if absenteeism and other such interruptions were allowed for those industries actually were on a scheduled 48-hour week.

Thus, the opponents of this legislation should not be misled into thinking they do not face serious opposition in the fight on the 40-hour restriction. One can now hear the President and the labor leaders say—"Why the war industries are already working 48 hours a week, so what's the shouting over the 40-hour law all about anyway?"

There is still another big obstacle to be overcome. There are probably 15,000,000 workers in war industries who now are receiving each week time and a half for from three to eight works of work over 40 hours. To propose to eliminate the time and a half requirement for these millions, and thus cut their weekly income by from $4 to $12, is simply too much to ask of a Congress.

How then, meet the arguments and secure a change in the law?

It appears that the case must be based squarely upon the manpower shortage, and it must be stated as a proposal to increase, not decrease wages for many millions. Here is what we are talking about: the garment trades generally are working only 36.8 hours a week, according to latest figures. One branch, the millinery trade, worked only 32.3 hours a week in October. The hosiery industry worked only 38.2 hours a week in October and the work-week in newspaper and periodical publishing was 36.1 hours!

In October the average for all non-durable goods industries was only 40.6 hours. Several millions of skilled and unskilled employees are being "hoarded" by those industries operating at only 40 hours a week or less. In addition, the vast majority of the 15,000,000 workers in construction, financial institutions, the service trades, wholesale trade, and mining, work less than 40 hours a week.

Consider the manpower possibilities. One million men working 35 hours a week can be replaced by 800,000 working 45 hours a week. One million men working 40 hours a week can be replaced by 850,000 working 48 hours a week. Are not these manpower savings worth while? Suppose the working hours were lengthened in the nonwar industries and time and a half payments for work over 40 hours flatly banned, would any employee take a cut in wages? Obviously not, the millions in the trades now working 35 and 40 hours a week would secure an appreciable wage increase. Many of the employees, true, would have to transfer to war industries—because the longer work week would displace workers throughout the consumer trades—but the nation surely has a right to ask them to make the transfer, especially when they will receive a handsome wage increase for so doing.

Is there any precedent for so drastic a move? In England, priority assistance and draft deferments are denied any industry or shop that does not maintain a full work week. Why should not this nation similarly compel its nonwar industries to stop hoarding labor? Or to phrase it accurately and fairly, why should not the nation repeal or change the law that causes them to hoard labor unduly?

One other point must be made. Let no one fail to note that the argument that industries can afford to pay overtime if they wish to **does not apply** to most nonwar industries. Virtually all of the nonwar industries are subject to the price ceilings, they **cannot** pass high overtime costs on to the consumer. Only a small proportion of them are subject to the higher brackets of the excess profits tax (because their gross sales have not soared as have sales of war trades) and they cannot simply transfer most of the costs to the Government as do war producers who pay 80% of their net profits to the Treasury in the form of taxes. Many of these nonwar trades are deficit-ridden and cannot absorb a penny more of costs.

The suggestion made here, therefore, is that the fire all be concentrated upon forcing the nonwar industries to work at least 48 hours a week. Accept the New Deal theory that employees cannot work more than 48 hours a week, despite the evidence of experience in England, Germany and Russia! Accept their contention that the war industries are working almost 48 hours a week and take no action that would force employees in those industries to accept a wage cut of any type!

Instead, (1) provide by law that employees in nonwar industries and only those industries may be worked up to 48 hours a week without the payment of time and a half, despite union contracts, (2) emulate England and force the nonwar industries to go up to such a schedule by taking away draft and priority protection from firms in both war and nonwar industries that fail to work at least 48 hours. Such a program would surely make available to the war effort the services of several million workers forced out of plants formerly working less than 40 hours. It would increase the earnings of these workers and millions of others, and it would in no way ruffle or disturb labor conditions and relationships in the war industries.

Such a program involves compromise of principle and it involves discrimination among the industries. The discrimination, however, is no more serious than that which the war program has already caused many of the nonwar trades to suffer and the compromise of principle can be chalked off as a war necessity.

If such a program were adopted, it also could provide that war work in newly-established plants, where no "vested interest" in overtime had accrued, should likewise proceed upon the 48-hour week. Thus, shortly after this program was adopted the nation's industry—war and nonwar combined—should be operating on a 48-hour week, instead of 43.5 hours as was the case in October.

But none of these objectives are likely to be attained if the opposition insists upon complete and sweeping amendment or repeal of the 40-hour week law. Not even the Republicans who won the biggest majorities last November will relish voting a wage cut for the millions of war industry workers, so the law can only be amended by making the change apply to the nonwar trades alone, and by showing how millions of workers can be transferred from nonwar industries without any interference to production in the war trades.

The State Of Trade

Reports from most industrial quarters were favorable during the past week. Work continued pretty much as usual in the steel industry during the holiday period, according to the trade publication "Steel." Among foundries there were few suspensions at the year-end for inventories. In finished steel there is expected to be some actual gain in output.

Steel operations this week are scheduled at 98.2% of capacity, a slight increase over the 98.1% rate reported last week. One month ago operations stood at 98.3%, while operations were 96.1% a year ago. The week's output is estimated at 1,679,900 net tons of steel, as compared with 1,678,200 tons a week ago.

The industry turned out 1,681,600 tons a month ago, while production amounted to 1,587,800 tons a year ago.

Production of electricity during the week ended Dec. 19 totaled 3,975,873,000 kilowatt-hours as the industry continued to set all-time high records. The total was 13.3% above the like week in 1941 and compares with output of 3,937,524,000 kwh. in the preceding week this year, the previous high, according to Edison Electric Institute figures.

All geographical areas except New England showed increases over a year ago. The decline in New England was 0.7%. The greatest rise was on the Pacific Coast where production was 29.3% above last year. In the Mid-Atlantic States the increase was 5.3%.

The Federal Power Commission reports that electric energy produced for public use in November totaled 16,191,145,000 kwh., an increase of 13.7% over November, 1941.

Loading of revenue freight for the week ended Dec. 19 totaled 742,911 cars, according to reports filed with the Association of American Railroads. This was an increase of 2,575 cars over the preceding week this year, 55,957 cars fewer than the corresponding week in 1941 and 45,156 cars above the same period two years ago.

This total was 125.54% of average loadings for the corresponding week of the 10 preceding years.

Engineering construction volume for the short week, due to the early closing for the Christmas holiday, totaled $33,377,000. This is the lowest weekly volume reported during 1942. It compares with $75,539,000 recorded for the full preceding week, and is 34% below the total for the corresponding short week in 1941, according to "Engineering News-Record."

Federal work is 8% below the same week last year, and this decline, coupled with the 97% drop in State and municipal work, brings public construction 26% under its last year's mark. Private work, accounting for $513,000 in the current week, is 91% below a year ago.

Engineering construction volume for 1942 to date, $9,229,534,000, is 57% above the total for the 52 weeks of 1941.

Christmas trade this year wound up with a record buying splurge both in the retail and wholesale markets, despite the unfavorable weather conditions of the last week. In the final shopping days in the retail stores business ended in a rush which exceeded many retailers' expectations, according to Dun & Bradstreet, Inc.

Preliminary reports indicate that sales for the full holiday period reached a new all-time high, as dollar volume ran comfortably higher than a year ago, although trade in "physical units" failed to match 1941 levels. Retail sales themselves boomed to the highest level in history in the final pre-Christmas week, despite weather, which usually keeps buying housewives at home.

Peak crowds taxed store capacity, and in war centers, according to Dun & Bradstreet, Inc., jammed transportation facilities. Record spending spread sales over a variety of merchandise. Traditional gift lines held the spotlight, and with foods, scored the highest gains over a year ago.

An increase of 10% for the week ended Dec. 19 was reported by the Federal Reserve System for department stores sales on a country-wide basis. The weekly figures showed store sales up 9% for the four-week period ending Dec. 19, compared with last year. The increase for the year was 11%.

Department store sales in New York City made the best record of the Christmas season in the week ended Dec. 19, an 8% rise above the comparative 1941 period, according to a preliminary estimate made by the New York Federal Reserve Bank. This compares with a 4% increase in the week ended Dec. 19, an 8% rise in the week ended Dec. 12, and a 2% gain in the week ended Dec. 5.

These weekly increases made for a 6% improvement over the four weeks ended Dec. 26, according to the bank. While the bank made no comment on Christmas trade other than its comparison with 1941, merchants generally held that it was the biggest holiday business in the history of the city's stores.

In its main outline the course of business seems fairly clear, the Guaranty Trust Co. reports in its year-end monthly survey. Further gains in war production are likely to be accompanied by continued declines in output of nonessentials. Gross receipts of business concerns will be large, "but the tax burden will probably prevent any significant increase in net earnings."

"Industrial payrolls will rise to new peaks, but shortages will limit the amount that can be spent for consumers' goods," the survey adds. For many business enterprises continuance of operations will become impossible.

The bank points out that for 1942 the effects of larger production on the earnings of business enterprises have been more than offset by the rise in taxes and other costs and that dividends paid in the first 10 months were almost 10% below the comparable total a year ago.

THE FINANCIAL SITUATION

(Continued from first page)

falling into enemy hands. It is likewise quite clear that it is pursuing a policy, particularly, although not exclusively, in Latin America, of "buying friends" through all manner of "aid" and "relief." No one outside of the inner circle has any way of knowing how many American dollars have been expended in this way, or how many more have been promised for the future. It is, however, known that the outlays to date are large, and that many of its commitments run for years to come—long after the present war is over, if the hopes of most observers are realized.

Post-War Plans

But it is not this aspect of the Board's activities which causes the greatest concern to thoughtful observers—and among them one is inclined, without knowing the facts, to include the Secretary of Commerce and a number of members of Congress. It is difficult to escape the suspicion that funds are being sown around throughout the world with the same profligate hand that has for the past ten years been squandering billions of dollars at home, but in this case the existence of a state of war provides an excuse if not a reason for withholding the facts from the public in such a degree that it is utterly impossible to say with certainty whether such a suspicion is well founded, or in what degree. What is most disturbing about the situation is the fact that post-war arrangements, plans and programs have been injected into it. The Vice-President, who is the moving figure in the organization, has on numerous occasions laid emphasis upon the post-war aspects of the Board's operations and his dreamy, mystical approach has so greatly perturbed so many people that he has recently been driven to endeavor to explain away a number of things that he had said in the past. His address on Monday evening last must be read in light of this fact.

His rather more than playful reference to the Board as the Board of Economic Welfare, his ambition to see that a quart of milk a day is in the post-war world available for everyone, and his general doctrine that it is task of the people of United States to expend its wealth and its energy, denying itself if need be, in the post-war era to see that virtually everyone has the good things of life that we think he ought to have, and have them in virtual perpetuity, are all cut from the same cloth, and, one must conclude from the evidence, are part and parcel of the concepts widely held in Washington at this time. Precisely where the President himself stands on some of these questions, he has been rather too canny to say explicitly, but he has said enough to make it clear that his thinking runs in the same general direction at least. It is the broadening realization on the part of many citizens throughout the land that plans are being prepared and programs are being shaped which could easily result in efforts to win the peace which are in the long run about as expensive as winning the war—and all utterly in vain—that is beginning to make itself felt in many quarters, including the political.

Not Merely The Vice-President

The Vice-President and perhaps his good man Friday, Milo Perkins, have apparently come to embody in the popular mind this whole philosophy of post-war profligacy and meddling, and that is not strange. They have been much in the limelight and have rarely missed an opportunity to express such views, while the many others working with the same general ideas for both domestic and foreign application have not in the same degree attracted the attention of the rank and file. Lest there be misunderstanding on the point, let it be said that these two earnest, sincere, deluded, trusting gentlemen have an abundance of company in Administration circles. Were this not true the strange procedure of placing the funds of subsidiaries of the RFC at the disposal of the Board of Economic Warfare regardless of the views of those formally charged with the administration of the affairs of these organizations would never have occurred.

But fortunately there is reason to believe that the country as a whole is at long length beginning to awake to the true state of affairs and to ask some pointed questions—and to make some pointed protests. The "feud" between the Vice-President and the Secretary of Commerce, as it is commonly termed, may presently become a contest, and a vigorous contest, between the many who believe as the Vice-President does about post-war policies and the millions who either do, or will once they understand, think otherwise. The phrase, "the people of the United States will never again make the mistake," etc., is beginning to lose some of its magic spell. Defenders of the "New Order" which the Vice-President and many others have envisaged and preached constantly for the past year or two are now finding it expedient to explain and to defend. We must see to it that this is only a beginning.

A Vital Issue

As tragic as have been the blunders of the past ten years, they may pale into virtual insignificance in the years to come after the fighting ceases—i.e., the present fighting—unless the world and its future are viewed with much more realistic eyes than are common in Washington today. The notion that war in the future can be barred by giving everyone, except of course the Axis peoples, virtually everything we think they ought to have—as if it lay within our power to give on such a scale—must be nailed before it becomes one of those foolish beliefs implanted by endless repetition. We should do well to face the fact now rather than later that the leaders of the British Empire are realists; that Russia is not a democracy and Mr. Stalin is nothing if not one of the world's coldest realists. The problems arising out of the division among the French in Africa should warn us we can not even with gold of Midas and the kindheartedness of a Santa Claus manage the affairs of other peoples and expect them to like it—or accept it. The time has come for many of us to reappraise many things.

Roosevelt Names Group To Set Draft Policy For Federal Employees

President Roosevelt appointed on Dec. 11 a three-man committee to formulate a nation-wide policy to govern requests for deferment from military service of Federal employees. Heading the group is Paul Bellamy, editor of "The Cleveland Plain Dealer," and the other members are Ordway Tead, Chairman of the Board of Higher Education, New York City, and Eric Johnston, President of the Chamber of Commerce of the United States.

The President said his purpose in appointing this committee is to assure the establishment of sound policies and adequate machinery for quickly carrying out these policies. The new group is instructed to cooperate with the War Manpower Commission. In advices from its Washington bureau on Dec. 11 the New York "Herald Tribune" said:

The committee was directed to "give consideration to standards of determining (1) whether an employee is actually performing duties which are critically essential to the war effort, (2) whether the employee can be replaced by others who are not eligible for military service, and (3) whether the employee's skill and abilities can best be used to make his maximum contribution in the total war program in his civilian assignment or in military service."

Mr. Roosevelt last month ordered all Federal departments and agencies to cancel deferments of their employees. This was referred to in our Nov. 26 issue, page 1894.

Pres. Batista Praises Good Neighbor Policy

President Fulgencio Batista of Cuba, who was a recent visitor to the United States on an official mission as the guest of President Roosevelt, left New York on Dec. 16 for Miami en route to Havana.

President Batista arrived in Washington by plane on Dec. 8 and was met by a group of high Government officials, headed by President Roosevelt, Vice-President Wallace and Secretary of State Hull. He was a guest overnight at the White House, where a State dinner was given in his honor. After conferring with President Roosevelt on Cuban-American relations and the war effort, President Batista was the guest of honor at various receptions and dinners.

In an address to the House of Representatives on Dec. 10, President Batista said that the "policy of the good neighbor has brought new hope to those of us of the New World who cherish the ideal of justice."

The Cuban leader also said that the Atlantic Charter brought a "better perspective" for the United Nations for this document "embodies the essential principles which are the inspiration of a group of nations which seek neither domination nor conquest but rather the advent for humanity of an era in which it may live in peace and enjoy the inalienable right to the pursuit of happiness."

On Dec. 10 he also paid tribute at the various national shrines, including Mount Vernon, the home of George Washington; the Tomb of the Unknown Soldier in Arlington National Cemetery, the monument to officers and men of the Maine and the Lincoln Memorial.

President Batista visited New York City on Dec. 12 and after several formal and private receptions left by train for Buffalo, to inspect war plants. He returned to New York City on Dec. 14 and addressed the Cuban Chamber of Commerce on Dec. 15 at a dinner given in his honor at the Waldorf-Astoria. In New York President Batista was welcomed by Mayor La Guardia.

House Group Shelves War Powers Bill To Suspend Tariff Law

The House Ways and Means Committee voted unanimously on Dec. 10 to postpone further consideration of the legislation requested by President Roosevelt for broad wartime powers, originally proposing the suspension of tariff, immigration and espionage laws whenever they interfered with the free movement of persons, property and information into and out of the United States.

In announcing the Committee's action, Chairman Doughton (Dem., N. C.) said the members decided there was "no reasonable possibility" that the bill could be enacted before the current session of Congress expires, adding that it had been "passed over without prejudice for the new Congress to consider if it wants to."

The following regarding the measure was reported in Associated Press advices:

Specifically, the legislation would have empowered the Chief Executive, upon certification of necessity by the head of any one of several war agencies, to suspend laws and regulations covering the movement of property or information into or out of this country.

In its original form, the measure would have empowered the President to suspend immigration laws, also. As a compromise, that section was modified by a subcommittee to allow suspension only of laws and regulations governing the movement of persons leaving the country.

The measure was supported by high-ranking officials of the war agencies, among them Undersecretary of War Robert P. Patterson, Undersecretary of the Navy James V. Forrestal, and War Shipping Administrator Emory S. Land.

Cattlemen and dairy farmers protested that the measure was so broad it would permit importation of Argentine beef and Canadian dairy products without subjecting them to sanitary safeguards.

The President's special message to Congress requesting the broad powers was given in our issue of Nov. 12, page 1721.

Total War in One Year Cost U. S. $46 Billion

One year of total war has cost the United States over $46,000,000,000 — more than the entire cost of participation in the last world conflict 25 years ago, according to the Associated Press. It is pointed out that staggering as this sum appears, it is dwarfed by latest budget estimates of war expenditures for the 1943 fiscal year. Budget officials expect these expenditures to amount to $78,000,000,000.

The Associated Press in Washington advices Dec. 9 further said:

"Since Dec. 8, when Congress declared a state of war with Japan, the Treasury has reported $46,393,890,525 spent on war activities alone up to Dec. 5.

"The net cost of American participation in the first World War, Treasury statistics show, was $40,583,062,000.

"The nation entered the second year of its war against the Axis with the greatest public debt in its history, and war costs mounting to unprecedented heights. The latest Treasury statements show that current war expenditures are running at the rate of about $6,000,000,000 a month, which is just about four times what they were under the national defense program before Pearl Harbor.

"The public debt, too, is nearly twice what it was a year ago. At that time—on Dec. 8, 1941—it was $55,231,154,812. It has since mounted to more than $100,000,000,000, the latest Treasury figure on Dec. 5 placing the gross debt at $103,577,860,314.

"When the United States entered the World War in 1917 it had a gross debt of about $1,500,000,000. During the first year of participation in that war the public debt rose to $11,350,376,680 and on Nov. 30, 1918, it stood at $19,438,375,022.

"The bulk of war expenditures in the current struggle has been on the Army and Navy, the Army accounting for $25,383,464,511, and the Navy $12,851,455,689. In the same period the Maritime Commission spent $1,426,991,798."

Gas Ban In East Due To African Military Needs

President Roosevelt explained on Dec. 18 that the ban on gasoline sales for non-commercial consumption in the East was prompted by a hurry-up order for more gasoline for the North African military campaign. The suspension of gasoline sales in the 17 Eastern States and the District of Columbia was in effect from noon Dec. 18 to midnight Dec. 20.

The President said that the gasoline had to be removed from the Atlantic seaboard because it took a much longer time to move petroleum supplies from Texas to Africa. He added that, while it meant giving up pleasure driving for a short time, he knew the people would understand the situation.

Victory Loan Drive Over $12 Billion Mark—Original Goal Exceeded By $3 Billion

Secretary of the Treasury Morgenthau announced on Dec. 28 that the Treasury's Victory Fund Drive totaled $11,946,000,000 through Dec. 26, and said that the figure will go "considerably" over $12,000,000,000 as funds from sales of Series E, F and G Savings Bonds and tax notes are received. Mr. Morgenthau said that this is a tidy sum in anybody's money. He revealed that, of the total figure, $7,071,000,000 was received from non-banking sources and $4,875,000,000 from banking sources, or about 40%. One of the principal aims of the drive was to borrow a large proportion of the funds from non-banking sources, and the results show that the drive was successful in this as well as in the amount involved.

The original goal of the Victory Loan campaign was $9,000,000,000, but the Treasury later raised the amount sought to $11,000,000,000 in view of the fine public response.

Secretary Morgenthau also disclosed on Dec. 28 that the sale of Series E bonds from May 1, 1941, to Dec. 24, 1942, totaled $6,886,000,000 and that of this total only $211,000,000, or 3%, had been redeemed. He declared that this is a good showing.

Mr. Morgenthau issued the following breakdown on funds borrowed to and including Dec. 26, from all sources, on the different issues:

Funds from banking sources:	
Treasury bills -----	$700,000,000
⅞% certificates ---	2,117,000,000
1¾% Treasury bds.	2,058,000,000
Total ------------	$4,875,000,000
Funds from non-banking sources:	
⅞% certificates --	$1,681,000,000
1¾% Treasury bds.	1,003,000,000
2½% Treasury bds.	2,830,000,000
Tax notes --------	828,000,000
Savings bonds ----	729,000,000
Total ------------	$7,071,000,000
Grand total -----	$11,946,000,000

The success of the December drive is indicated by comparison with the largest loan heretofore floated, which was the $6,964,581,100 Fourth Liberty raised in three weeks by the Treasury in 1918. Together with tax and other receipts of about $2,500,000,000, the estimated $12,000,000,000 of borrowing would draw into the Treasury a total of about $14,500,000,000 in this single month of December. In view of the success of the loan campaign the Treasury is not expected to engage in further major financing until March or early April, relying for its new money needs in January and February on further sales of Tax Savings Notes, Savings Bonds and Treasury bills.

The present drive was launched on Nov. 30 and closed on Dec. 23 for the three principal issues involved—Victory 2½% bonds due Dec. 15, 1968, and callable Dec. 15, 1963; 1¾% bonds due June 15, 1948, and ⅞% certificates of indebtedness due Dec. 1, 1943. The various issues of Treasury tax savings notes and savings bonds continue to be on sale.

Closing of the subscription books was referred to in these columns Dec. 24, page 2245.

Wickard Urges Raising More Essential Foods

Secretary of Agriculture Wickard, recently-appointed Food Administrator, said on Dec. 14 that the 1943 farm program calls for unprecedented goals, but expressed confidence that they would be met.

In a speech before a regional production goals meeting in New York City, attended by representatives of Eastern farm organizations, Mr. Wickard explained that a major concern of the Agriculture Department's 1943 program is to get farmers to reduce production of less essential items and to grow foods of high value and in greater need, especially the dairy product supply. Secretary Wickard stated:

"As head of our food program, I shall work to help farmers and food processors by letting other Government agencies know exactly how much man-power and materials they need to get their parts of the job done. I shall work to help distributors by seeing that civilian supplies of food are divided fairly among the various wholesale and retail firms. I shall work to help consumers by studying their needs carefully before making plans for producing and allocating food, and by directing any special steps that may be needed to insure each person of his fair share of available supplies."

He predicted that there would be continued need for American farm products in unprecedented amounts even after the war, remarking that the people of Europe and Asia will have to be fed and that everyone in this country should have a liberal diet.

Asked what he considered the better course to follow if farm prices keep increasing, Mr. Wickard said that if a choice had to be made between increases in consumer prices and Government subsidy he would choose a subsidy as the best curb to inflation. He added that if faced with a choice between higher prices or scarcity he would take the higher prices.

Asks MBA Members To Support Homes Use Service Program

The Federal Government, through the newly set up Homes Use Service program, is taking steps to avoid what real estate men and property owners generally, as late as six months ago, feared might be a disasterous aftermath of this war—this is, tremendous overbuilding that would be a drug on the post-war market and depress all property values, Charles A. Mullenix, President of the Mortgage Bankers Association of America, said on Dec. 19 in an announcement that the organization is enlisting the services of its members in the drive. The Homes Use Service organization was organized by the National Housing Agency to convert existing residences, stores, warehouses, apartments and flats into additional accommodations for workers in war production centers. The Government is leasing the properties and remodeling them and the HOLC is acting as agent to collect rents, pay taxes, assessments, insurance, interest, mortgage installments and other expenses.

Mr. Mullenix stated:

"No accurate figures are available as to how many old large houses, stores, warehouses and other buildings suitable for conversion into living quarters are available in the war production centers where they are badly needed because there has never been any reason to survey property with this thought in view. It seems plain, however, that buildings of this sort in these crowded centers could, of their owners respond to the Government's appeal, house a substantial portion of the hundreds of thousands of in-migrant workers who must be decently housed within the next six months.

"Based upon scattered and admittedly inconclusive reports from MBA members in cities where living quarters are most needed, it would appear that the houses available for quick conversion are three or four times that which will be actually needed. This clearly shows that the country has not tapped this source of emergency housing. So far it appears home owners and property owners have been slow to respond to the Government offer.

"Success of the Homes Use Service program will mean a maximum saving of scarce war materials and almost immediately providing badly needed living quarters. The public still has no realization of the fact that lack of housing is actually slowing down was production in many centers. The thing that so many have feared — wartime over-building that might wreck real estate values after the war—can be substantially forestalled by the success of this program.

US Nov. War Expenses $244,500,000 Daily

War expenditures by the United States Government totaled $6,112,000,000 in November, up $390,000,000 or 6.8% over October, the War Production Board announced on Dec. 10. In October, war expenditures had increased $264,000,000 or 4.8% over the previous month. The announcement of the WPB added:

"The daily rate of expenditure in November averaged $244,500,000 compared with $211,900,000 in October. In November there were 25 days on which Treasury checks were cleared as compared with 27 such days in October.

"For the first eleven months of 1942, war expenditures totaled $46,075,000,000 which compared with $11,929,000,000 for the corresponding period of 1941.

"The average daily rate of expenditure for the 284 days on which checks were cleared during the first eleven months of the current year was $162,200,000. This compared with $42,800,000 for the first 279 days on which checks were cleared in 1941.

"The figures cover expenditures both by the Treasury and by the Reconstruction Finance Corporation and its subsidiaries."

Urges Unity Of Effort In Support Of Allies

Secretary of State Hull on Dec. 17 issued a plea that all those in sympathy with the cause of the United Nations should strive "to unify their efforts in the support of the Allied military cause until final success." This declaration by Secretary Hull was made at his press conference in response to a question whether French leaders who are able to help us in bringing about the defeat of the Axis should now try to cooperate with one another in the common effort?

The following is Mr. Hull's formal reply as given in Washington advices to the New York "Herald Tribune" from John Elliott:

"I have had only one view with respect to the two central points in the international situation as they address themselves especially to the Allied nations, and that view applies universally, and not to any one country or one people any more than another. The first central point is that every person in sympathy with the cause of the United Nations and every group of persons and every other one concerned should strive to unify their efforts in the support of the Allied military cause until final success. That is the supreme and the immediate question that addresses itself to each and all of us alike in every part of the world. We need all the help we can get.

"With the victory won and freedom restored to those who have lost it or who are seeking it, there would then arise, under Point 3 of the Atlantic Charter, the fullest opportunity for each people to select their leaders and their forms of government. These two central points of the world situation have been expressed heretofore by myself and others."

Point 3 of the Atlantic Charter, to which Mr. Hull referred, is as follows:

"They respect the right of all peoples to choose the form of government, under which they will live; and they wish to see sovereign rights and self government restored to those who have been forcibly deprived of them."

The full text of the Atlantic Charter, as signed by President Roosevelt and Prime Minister Chruchill, appeared in these columns Aug. 16, 1941, page 915.

Chgo. 'Tribune,' Other Papers Raise Price

Announcement of a change in the price of its daily edition to three cents was made on Dec. 26 by the Chicago "Daily Tribune." The price had heretofore been two cents. In its announcement the "Tribune" said:

"Newspapers and magazines throughout the United States have sustained greatly increased costs of production and distribution caused by the war, and therefore have found it necessary to increase their selling prices.

"The 'Tribune,' regretfully, is compelled to do likewise. Consequently, effective next Monday, Dec. 28, the price of the 'Daily Tribune' at newsstands in Chicago and suburban area will be three cents."

The Chicago "Sun," morning newspaper sold at two cents per weekday copy since its founding a little more than a year ago, announced on Dec. 26 an increase in its newsstand price in the Chicago area to three cents, according to the Associated Press, which stated that the paper said increasing costs of production and distribution made the change necessary.

From Cincinnati, Dec. 26, the Associated Press reported "the Cincinnati 'Enquirer' announced tonight that effective Sunday, Jan. 3, the price of its Sunday edition would be increased from 10 to 12 cents within a 100-mile radius of Cincinnati, and to 15 cents elsewhere. The price boost was deemed necessary, the paper said, because of the 'constantly increasing costs of newspaper production and distribution.'

"Daily editions will continue to sell for three cents."

Buffalo advices (Associated Press), Dec. 26, said "the Buffalo 'Courier Express' announced tonight that the price of its Sunday edition would be increased Jan. 3 from 10 to 12 cents a copy because of advancing production costs."

Praises Maritime Service

President Roosevelt on Dec. 12 congratulated the men of the American merchant marine for "so gallantly working and fighting side by side with our Army and Navy." His message, read at the dedication exercises for the new United States Maritime Service Training Station at Sheepshead Bay, N. Y., follows:

"It is with a feeling of great pride that I send my heartiest congratulations and best wishes to the officers and men of the new United States Maritime Service Training Station at Sheepshead Bay, N. Y. Ten thousand apprentice seamen in training at one station is a magnificent achievement, and the entire country joins me in wishing you every success and in paying tribute to you men of the Merchant Marine who are so gallantly working and fighting side by side with our Army and Navy to defend the way of life which is so dear to us all."

From Washington

(Continued from first page)

are essential to winning the war. Here, then, is where a fact-finder can render yoeman service. There has been no fact-finding so far, or any serious effort to get at the facts. You want to win the war, don't you? Well, you've got to uphold the BEW's "preclusive" buying operations.

It so happens that this engaging word made its appearance in the heat of the 1940 political campaign. Before we even entered the war there was a terrible hullabaloo on the part of the intelligentsia that we had to do something about Latin America. There were a lot of Germans and Italians down there and they were shipping stuff to Germany, to the extent they could get it through the British blockade. Brilliant, hardhitting, two-fisted Adolph Berle, as the descriptions went in those days, concocted a plan. It was to buy up all of Latin America's exports and dump them into the Atlantic, inasmuch as there was very little of them we could use. To head off what in those days seemed the height of fantasy, Congress appropriated $500,000,000 to be put at the disposal of the Export-Import Bank under Jesse. Congress had a way of turning crazy propositions over to Jesse on the assumption that his business-like or "banker minded" administration would either let them die or put some sense into them.

The BEW has grown up out of the original plan. Several months ago the Administration by-passed Congress' intent by removing Jesse's veto powers over BEW's spending. Apparently, however, BEW still feels Jesse's restraining hand and the next Congress will be called upon to determine whether the two should be entirely divorced or Jesse's original authority returned to him.

Bear in mind that BEW's case turns on the contention, not that Jesse won't buy up needed material from other countries, but that he acts too slowly, that he quibbles over prices, over being held up. What must be done, says BEW, is to act quickly, to buy right on the spot, even to pay 20 or 50 times more than the stuff is worth, to keep the Axis from getting it. Surely, you aren't going to quibble about dollars when boys' lives are at stake.

The job for the fact-finder in this particular case is to ascertain just what country it is on this globe, where we must be gouged in order to beat the Axis agents to the pocketbook. What country is it? It couldn't be a Latin-American country. Aside from the fact that all but two of these countries are on the side of the United Nations, no Latin-American country can get any stuff to the Axis. Of course, we are buying essential raw materials from several countries but which one of them is also so available to the Axis that we must outbid the Axis agents by letting little Bureaucrats walk around with a checkbook in their pockets? Turkey is the only possible one we can think of, and I doubt the BEW would seek to justify its far-flung and mysterious operations on that country alone.

This is a case in which facts are needed. They are needed also in the whimpering that is going up over Leon Henderson's supposed retirement as price fixer. (Let's see if he really retires.) The underlying fight against him is not because of patronage troubles with Congress, not because he was doing a hard job fearlessly; it is not that he is a martyr. It is because a holy mess has been made of the job, and anyone who would take the trouble to look into the workings of the agency he has built up and is attempting to build up still more, would have no trouble in finding why.

Asks Pay Equalization For Govt. Employees To Correct "Grossly Unfair" Conditions

President Roosevelt asked Congress on Dec. 11 to enact legislation to correct "grossly unfair" conditions regarding rates of pay, hours of work and overtime compensation for civiliain employees of the Government and requested that if this could not be done immediately, to give him power to deal with the problem "during the war period or until such time as Congress may otherwise provide." The legislation was passed by the Senate and House on Dec. 15 and signed by the President on Dec. 24.

In identical letters to Vice-President Wallace, as President of the Senate, and to Speaker of the House Rayburn, Mr. Roosevelt pointed out that the Federal Government, the largest single employer in the nation, has permitted an employment condition to develop which "is one of the major causes of needlessly high personnel turnover and is impeding the successful prosecution of the war effort."

The text of the President's letter follows:

"The Government of the United States, which is the largest single employer in the nation, has permitted a condition to develop regarding rates of pay, hours of work and overtime compensation for its civilian employees which is grossly unfair, is one of the major causes of needlessly high personnel turnover, and is impeding the successful prosecution of the war effort. This condition may be summarized briefly as follows:

"(A) The pay rates for most mechanics, tradesmen and laborers in navy yards, arsenals and other production establishments of the Government are fixed and adjusted to correspond with prevailing wage rates for similar work outside the Government service in the same locality. These pay rates have kept pace with the increases in wages which have occurred in private industry; hours of work for these groups have generally been set at a minimum of 48 per week, and the earnings of these employees have been further increased through the receipt of overtime compensation at time and one-half rates for work in excess of 40 hours per week. The situation with respect to these employees corresponds with that pertaining to industrial employees and represents a satisfactory condition which requires no change.

"(B) The pay rates for the positions held by most salaried employees—clerical workers, postal employees, hospital attendants, professional, scientific, technical and administrative employees—are generally fixed by statute and cannot be adjusted by any administrative action. Except for recent increases in the rates of pay for custodial employees, the last general readjustment of salary rates occurred in the 1928 and 1930 amendments to the Classification Act, and in 1925 in so far as the postal service is concerned. The work week for these types of employees has been extended to 48 hours in the War and Navy Departments, and to 44 hours in other departments and agencies, with the exception of the postal service where the amount of overtime varies with the volume of work in each locality. The Government service would generally have been placed on a 48-hour week except for the existence of the Saturday half-holiday law which has already been suspended in so far as the War and Navy Departments are concerned but still requires in other agencies of the Government compensatory time off for work in excess of four hours on Saturday.

"(C) In four agencies of the Government, namely, the War Department, Navy Department, Maritime Commission and National Advisory Committee for Aeronautics, specific legislative authority has been granted to pay overtime compensation to certain groups of these salaried employees for work in excess of 40 hours per week. But other employees in the same agencies and in other agencies of the Government performing similar work, whose hours of duty have been lengthened beyond the peace-time work week of 39 or 40 hours, cannot be paid overtime. This is a complete violation of equal pay for equal work which has been the guiding policy in Federal pay matters since the enactment of the Classification Act of 1923. The authority for the payment of this type of overtime compensation to groups in the War and Navy Departments expired on June 30, 1942, and has since been twice extended by joint resolution, the last extension expiring on Nov. 30, 1942.

"I approved these extensions of existing authority to pay overtime compensation to limited groups notwithstanding the gross unfairness and inequalities which this condition created, because the Congress had been considering various means of solving this urgent and complicated pay problem. I felt that by approving these extensions of overtime compensation authorization, opportunity would be afforded to arrive at an equitable solution which would meet the needs of the Government service and of the employees involved.

"It is my judgment that any further temporary extension of this authorization to pay overtime to limited groups of employees is only perpetuating a bad situation and should be avoided. However, it can be avoided only by immediate action on the part of the Congress to deal realistically with this entire problem. Unless immediate action is taken, hundreds of thousands of employees in the War and Navy Departments will suffer a severe cut in earnings for the first half of December because of the stoppage of the payment of their overtime compensation.

"I realize that the enactment of an adequate solution to the problem presents difficulties. I am not wedded to any particular formula for its solution. But I feel the problem is so urgent that unless the Congress is able to arrive at a solution within the next few days, legislation should be enacted that would delegate to the Chief Executive authority to deal with problems of wage and salary rates, hours of work and overtime compensation within the Federal service, during the war period or until such time as Congress may otherwise provide."

Senate Small Business Group Calls Conference

Representatives of more than 50 trade associations engaged in the wholesale and retail field have been summoned by the Senate Committee on Small Business to assist the group in formulating its legislative program for the coming session of Congress. They will meet in Washington in a three-day conference Jan. 19-21, and will present their views at hearings before the Committee.

In announcing the conference, Senator Murray (Dem., Mont.), Chairman of the Committee, indicated that serious attention would be given to a proposal, already before the Committee, to recommend to Congress the creation of an improved credit system with authority to provide the necessary capital for the expansion, conversion and re-entry of smaller business enterprises after the war is ended. Advices from Washington Dec. 13 to the New York "Times" said:

"Specifically, three questions will be laid before the conference for consideration. The first of these concerns the Government's policy with reference to meeting essential civilian requirements. Members of the Senate Committee on Small Business hold this to be a question of basis significance because, they say, such requirements are being inadequately handled by the Federal agencies. While shortages of civilian goods are inevitable in time of war, unnecessary shortages are dangerous not only to morale but to the effective fighting of the war on the home front, it is held.

"The second question has to do with the voice or influence of the smaller wholesalers and retailers in government policy making. Third on the list of questions relates to the steps necessary today for securing a competitive distribution system after the war, and in this connectition it is pointed out that the war itself actually is the best type of post-war planning."

ABA Appoints 12 To Executive Council

Appointment of 12 members to the Executive Council of the American Bankers Association, and four members to the Association's Administrative Committee is announced by W. L. Hemingway, President of the American Bankers Association, who is President of the Mercantile-Commerce Bank and Trust Co., St. Louis, Mo.

The Executive Council consists of bankers elected by A. B. A. members in the 48 States and the District of Columbia, usually at the time of their State conventions, the officers of the Association, the three immediate past Presidents, the Presidents and Vice-Presidents of the Association's divisions and sections, chairman of its commissions, and 12 members at large appointed by the president. The 12 appointees announced by Mr. Hemingway are the following:

H. Donald Campbell, President, The Chase National Bank, New York City.

Zay B. Curtis, Vice-President, Guaranty Trust Co., New York City.

Robert V. Fleming, President, The Riggs National Bank, Washington, D. C.

J. H. Frost, President, Frost National Bank, San Antonio, Tex.

H. Hiter Harris, President, First and Merchants National Bank, Richmond, Va.

Herbert D. Ivey, President, Citizens National Trust and Savings Bank, Los Angeles, Cal.

Harold Kountze, President, Colorado National Bank, Denver, Colo.

William F. Kurtz, President, The Pennsylvania Co. for Insurances on Lives and Granting Annuities, Philadelphia, Pa.

J. F. McRae, President, Merchants National Bank, Mobile, Ala.

James H. Penick, President, W. B. Worthen Co., bankers, Little Rock, Ark.

Tom K. Smith, President, The Boatmen's National Bank, St. Louis, Mo.

Samuel C. Waugh, Executive Vice President and Trust Officer, The First Trust Co., Lincoln, Neb.

The Administrative Committee consists of the officers of the Association, the three immediate past Presidents, the President of each of the Association's four divisions, the State Secretaries Section, the American Institute of Banking, and four members appointed by the president from four different Federal Reserve districts. The four named by Mr. Hemingway are Messrs. Campbell, Fleming, Ivey and Smith.

Crawford Urges Industry To Plan Now For Post-War Reconstruction

Declaring that management's responsibility does not end with utmost production for victory, Frederick C. Crawford, President-elect of the National Association of Manufacturers, stated on Dec. 10 that it "must show a similar leadership if we are going to preserve individual freedom in the post-war world."

In an address before the National Conference of Business Paper Editors at New York City, Mr. Crawford, who is also President of the Thompson Products, Inc., Cleveland, said he is not claiming "to have any formula for building the ideal society after the present world conflict is over" but offered these "few and simple" post-war convictions:

"First of all I believe we must start planning for that period right now, to the fullest extent possible without detracting from the war effort. I do not agree with those who refuse in time of war to prepare for peace any more than I did with those who refused two years ago to think that we might need a two-ocean Navy.

"America must not wait for an economic Pearl Harbor after the Armistice to start preparing for the problems that must then be faced.

"A second conviction is that the United States must play a prominent part among the nations of the world in guaranteeing that we must not have to live through another holocaust 25 years hence. If this means big nation policing, I am for it, despite the economic burden it will require to maintain an international police force. At whatever cost, world order and permanent world peace must be secured.

"Third, I believe that this nation must participate as well in the economic rehabilitation of our sister nations after the war is over.

"This, however, is not a policing job to be done by government but an opportunity and a job for private capital and initiative.

"Post-war reconstruction is going to be an expensive job both here and abroad. Physical destruction must be repaired. War industries must be turned to more productive uses. American industry and the productivity of all other nations once again must be concerned with the primary task of creating better living standards.

"Government, having no money of its own, can supply the capital needed for this tremendous reconstruction job only by a crushing tax burden which will impoverish our people. Despite the altruism of the American people, I do not believe they will allow themselves to be thus impoverished. Especially so when private capital can do the job to the benefit of those in foreign lands and with profit, through prosperity, to every American citizen.

"My fourth conviction on the post-war world is that the American people neither want a new form of government and society imposed upon them without their consent, nor do they wish to impose our form of government upon the reluctant citizens of other lands."

Mr. Crawford also expressed the conviction that industry must practice during 1943 a judicious mixture of wholehearted co-operation and hard-hitting, constructive criticism. Pointing out that "it is misguided patriotism for anyone with a valid opinion to suppress it," Mr. Crawford stated that this country is too big to be dominated by the opinion of any one man or any one group.

United Nations Condemn Nazi Killing Of Jews

Eleven of the United Nations and the French National Committee on Dec. 17 joined in a joint declaration condemning Germany's "bestial policy of cold-blooded extermination" of Jews and reaffirming their pledge that those responsible shall not escape retribution.

The declaration, as given out by the State Department in Washington, follows:

"The attention of the Belgian, Czechoslovak, Greek, Luxembourg, Netherlands, Norwegian, Polish, Soviet, United Kingdom, United States and Yugoslav Governments and also of the French National Committee has been drawn to numerous reports from Europe that the German authorities, not content with denying to persons of Jewish race in all the territories over which their barbarous rule has been extended, the most elementary human rights, are now carrying into effect Hitler's oft-repeated intention to exterminate the Jewish people in Europe.

"From all the occupied countries Jews are being transported in conditions of appalling horror and brutality to Eastern Europe. In Poland, which has been made the principal Nazi slaughterhouse, the ghettos established by the German invader are being systematically emptied of all Jews except a few highly skilled workers required for war industries. None of those taken away are ever heard of again. The able-bodied are slowly worked to death in labor camps. The infirm are left to die of exposure and starvation or are deliberately massacred in mass executions. The number of victims of these bloody cruelties is reckoned in many hundreds of thousands of entirely innocent men, women and children.

"The above-mentioned governments and the French National Committee condemn in the strongest possible terms this bestial policy of cold-blooded extermination. They declare that such events can only strengthen the resolve of all freedom-loving peoples to overthrow the barbarous Hitlerite tyranny. They reaffirm their solemn resolution to insure that those responsible for these crimes shall not escape retribution, and to press on with the necessary practical measures to this end."

Praises Nation's Press

President Roosevelt said on Dec. 13 that the understanding shown by the working press of the obligation to use its freedom for democracy is another instance of his "confidence in the ability of our democracy to grapple with the bitter necessities of total war without losing any of its essential devotion to liberty."

The President expressed this in a letter to Harold J. Wiegand, President of the Pen and Pencil Club, Philadelphia, which is celebrating its 50th anniversary.

Mr. Roosevelt's letter, as given in Philadelphia advices to the New York "Times," said:

"It was Benjamin Franklin, an old Philadelphia newspaper man, who said, 'we must all hang together or most assuredly we shall all hang separately.'

"This is as true today as it was in 1776, for freedom has always imposed upon those who would enjoy it an obligation to use that freedom for the purpose of democracy and liberty.

"The great body of our working press has shown a deep understanding of that obligation. In that understanding I find still another ground for my profound confidence in the ability of our democracy to grapple with the bitter necessities of total war without losing any of its essential devotion to liberty."

Forms And Specimen Policies For War Damage Insurance On Money And Securities

Announcement was made on Dec. 14 by Jesse Jones, Secretary of Commerce, that War Damage Insurance protection against loss through damage to or destruction of money and securities would be obtainable after Dec. 21. From Washington the New York "Times" reported that the money and securities program will be a corollary of the general war damage insurance program already being handled by the fire insurance companies. It will be handled through 85 or more casualty and surety companies that will participate as fiduciary agents.

On Dec. 14 distribution was begun to producers of special instructions, Regulations D, application forms and specimen policies applicable to War Damage Corporation on money and securities. The forms and regulations have been made available by member companies of the Money and Securities War Damage Group at 111 John St., this city, according to the New York "Journal of Commerce" of Dec. 15, which in part said:

"For the present, coverage will be written only within the continental United States, Alaska, Virgin Islands, Hawaii, Puerto Rico and the Canal Zone.

"In preparation for the writing of this business, commencing on Dec. 21, the special instructions state that the central office at 111 John St. will handle for member companies the issuance, recording and servicing of all money and securities policies. The War Damage Corporation has recognized the central office as the nation-wide 'branch office' for such purposes. Each of the member companies has designated this office as its branch and the name of the company nominated by the producer in the application form will appear as fiduciary agent in the policy.

"The companies will participate to the extent of 10% up to $5,000,000 in the final net profit or loss. The service fee to the producer will not exceed 5% of the premium with a minimum fee of $1 and a maximum fee of $1,000 per policy. The regulations emphasize that the service fee must not be deducted from the remittance which accompanies the application. The fee becomes due upon issuance of the policy and payable on or before the 20th day of the month following. Service fees will be paid on renewals.

"The special instructions further state that when nominating the fiduciary agent in the application, the producer must indicate whether he is an agent of the company or a licensed broker. Money orders or checks in payment of any premium are to be drawn to the order of War Damage Corporation and must accompany the application, which should be forwarded directly to the central office at 111 John St., New York, N. Y. This applies regardless of the territory within which the business is written.

"In order not to discriminate against any applicant, by reason of geographical location, with respect to the effective date of the insurance, alternate methods for determining the date have been provided. When the application and premium remittance are mailed, the post office cancellation date on the envelope becomes the effective date. If the cancellation is illegible, then the latest possible date of mailing computed retrospectively from the time of arrival becomes the effective date. In any case in which the application and premium remittance are received by the fiduciary agent (including the central office or the home office, but excluding any branch office other than the central office) by personal delivery, the effective date will be the date when the application is received by the fiduciary agent.

"In the event of loss the producer is instructed to see that the insured gives prompt notice to the central office or to the home office of the fiduciary agent named in the policy.

"At present supplies are being distributed to producers by the companies but additional supplies will soon be available at the central office.

"Any questions regarding money and securities insurance which may arise and which are not fully covered by Regulations D and supplemental instructions should be addressed to the central office or to the home office of the fiduciary agent named in the policy."

From the "Times" Washington advices Dec. 14 we take the following:

"Four types of coverage are provided, A, B, C and D. A, which costs 25 cents per $1,000 for money and 7.5 cents per $1,000 for securities, will cover them while within any 'preferred vault.' Coverage B, which costs 50 and 15 cents, respectively, for money and securities, will cover them while in any safe or vault. Coverage C, which costs $1 and 30 cents, respectively, covers them while within any of the 'premises' or in the possession of any of the 'custodians' specified in the application. Coverage D applies to money and securities in transit or otherwise for any business purpose outside any and all 'premises' and 'safe deposit boxes' and vaults, but excluding loss in the mail or the custody of any carrier other than an armored motor vehicle company. It costs $1.50 and 15 cents per $1,000, respectively.

"The maximum amount for which Coverage A and B for money can be obtained is $750,000 and for securities $5,000,000. Coverage C can be obtained to the amount of $450,000 for money and $3,000,000 for securities. The limit on Coverage D is $2,000,000 for money and $10,000,000 for securities."

President Sets Jan. 12 Farm Mobilization Day

In a proclamation designating Jan. 12 as Farm Mobilization Day, President Roosevelt on Dec. 16 asked farmers to meet with government and farm organization representatives on that day in order to discuss ways and means 'of insuring for the year 1943 maximum production of vital foods upon every farm in this country."

Saying that "food is no less a weapon than tanks, guns and planes," the President expressed the hope that Farm Mobilization Day would be a "symbol of the might and productivity of our nation, and a symbol of our unalterable determination to put to full use of our agricultural resources, as well as our other resources, in the achievement of complete victory."

The text of the proclamation follows:

"The people of this country may well be grateful that for three successive years the farmers of the United States have given us record harvests. Every pound of food finds use in war time. Our soldiers, sailors and marines require large supplies of food both in this country and abroad; and these three record-smashing years of farm production will mean much for victory.

"Farmers may justly be proud of the production record of agriculture. They have achieved this record in spite of many handicaps, and the country owes them a debt of gratitude. Although they have produced much this year, the nation will require even more of them during the year that is now before us.

"In full realization of the many difficulties affecting farm production during war time, the people of this nation place reliance on the zeal, devotion and unstinting efforts of farmers to do their part toward ultimate victory.

"Food is no less a weapon than tanks, guns and planes. As the power of our enemies decreases, the importance of the food resources of the United Nations increases. With this thought in mind, we must further mobilize our resources for the production of food.

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim Tuesday, Jan. 12, 1943, as Farm Mobilization Day; and ask that on that day the farmers of this country gather, wherever possible, with Department of Agriculture representatives, extension service agents, vocational teachers, State officials, farm organizations and others concerned, in order to discuss ways and means of insuring for the year 1943 the maximum production of vital foods upon every farm in this country.

"I should like Farm Mobilization Day to be a symbol of a free America; a symbol of our unalterable determination to put to full use our agricultural resources, as well as our other resources, in the achievement of complete victory.

"In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

"Done at the City of Washington this sixteenth day of December in the year of our Lord Nineteen Hundred Forty-two, and of the independence of the United States of America the One Hundred and Sixty-seventh."

Ch'go Mercantile Exch. Nominates Governors

Three Chicago Mercantile Exchange Governors, it was announced on Dec. 12, have been nominated for reelection by petitions filed with Lloyd S. Tenny, business manager of the produce futures trading center. They are Harry H. Field of Faroll Brothers, W. S. Moore of James E. Bennett & Co., and L. D. Schreiber of the firm bearing his name.

The regular slate of 10 candidates for the six two-year term posts on the Exchange's governing board, presented a week ago by the nominating committee and referred to in our Dec. 10 issue, page 2052, includes two present Governors: Frank P. Collyer of Merrill Lynch, Pierce, Fenner & Beane, and Michael E. Fox of the Peter Fox Sons Co. The Exchange's election will be held Jan. 6 and nominations by petitions may be filed up to noon Dec. 30.

Added To WMC Group

Paul V. McNutt, Chairman of the War Manpower Commission, announced on Dec. 11 the appointment of two representatives of agriculture to the WMC's Management-Labor Policy Committee.

The new members are Edward A. O'Neal, President of the American Farm Bureau Federation, and James G. Patton, President of the National Farmers Union.

Mr. McNutt also announced the appointment of Eric A. Johnston, President of the United States Chamber of Commerce, as an addition to the management representatives on the Committee.

The WMC Management-Labor Policy Committee, composed of an equal number representing each division and established last May, recently completed for the WMC a broad program concerning the overall manpower situation (referred to in these columns of Nov. 19, page 1808).

Nov. Building Permit Valuations Down 30%; Eleven Months' Total Decreased 41% From '41

A decline of 30% was shown in November building permit valuations as compared with October, Secretary of Labor Frances Perkins reported on Dec. 26. "All types of building construction shared in the decrease," she said, "but the most pronounced drop was in the value of new non-residential buildings, which decreased 52%. New residential valuations declined 21% and those for additions, alterations and repairs to existing structures declined 25%."

Miss Perkins further said:

"November building permit valuations were 66% lower than during the corresponding month of 1941. Indicated expenditures for all types of buildings were lower during the current month than during November, 1941. The decline for new residential buildings amounted to 52%; for new non-residential buildings, 85%; for additions, alterations and repairs, 46%.

"During the first eleven months of 1942, permits were issued in reporting cities for buildings valued at $1,658,907,000, a decrease of 41% as compared with the same period in 1941. Permit valuations for new residential buildings for the first eleven months of the current year amounted to $756,978,000, a decline of 45% as compared with the same period of 1941. Over the corresponding period, new nonresidential buildings showed a decrease of 39%, while the value of additions, alterations and repairs fell off 31%."

The Labor Department's announcement also stated:

"These tabulations, compiled by the Bureau of Labor Statistics, include contracts awarded by Federal and State Governments in addition to private and municipal building construction. For November, 1942, Federal and State construction in the 2,367 reporting cities totaled $19,639,000; for October, 1942, $39,469,000; and for November, 1941, $66,419,000.

"Changes in the permit valuations in the 2,367 reporting cities between November, 1942, October, 1942, and November, 1941, are summarized below:

Class of Construction—	Percentage Change from Oct. 1942 to Nov. 1942 All Cities
New residential	—21.0%
New non-residential	—52.3%
Additions, alterations & repairs	—24.7%
All construction	—30.4%

Class of Construction—	Percentage Change from Nov. 1941 to Nov. 1942 All Cities
New residential	—51.7%
New non-residential	—85.4%
Additions, alterations & repairs	—45.5%
All construction	—66.0%

"Permits were issued in the 2,367 reporting cities in November, 1942, for new housekeeping dwellings which will provide 13,085 units, or 18% less than the 15,888 dwelling units provided in October, 1942, and 46% less than the number provided in November, 1941. Dwelling units in publicly financed projects included in these totals numbered 3,715 in November, 1942, 5,471 in October, 1942, and 2,736 in November, 1941. In addition, the Federal Government awarded contracts in November, 1942, for dormitories providing accommodations for 4,048 persons. In October, 1942, 1,988 dormitory units were provided.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in November, 1942, except those awarded by the War and Navy Departments, the Maritime Commission and the Defense Plant Corporation, which have been excluded because of their confidential nature, were: Philadelphia, Pa., 1-family dwellings to cost $1,082,000; Chicago, Ill., multifamily dwellings to cost $468,000; Westchester, Ill., 1-family dwellings to cost $475,000; Cicero, Ill., a factory to cost $750,000; Evansville, Ind., multifamily dwellings to cost $608,000; Detroit, Mich., 1-family dwellings to cost $2,717,000, and 2-family dwellings to cost $213,000; Dearborn, Mich., 1-family dwellings to cost $381,000; Wayne, Mich., 1-family dwellings to cost $441,000; Cleveland, Ohio, 1-family dwellings to cost $474,000; Columbus, Ohio, 1-family dwellings to cost $386,000; St. Louis, Mo., factories to cost $1,153,000; Washington, D. C., multifamily dwellings to cost $1,062,000; Norfolk, Va., 1-family dwellings to cost $366,000; Garland, Tex., 1-family dwellings to cost $353,000; Burbank, Calif., stores to cost $621,000; Los Angeles, Calif., 1-family dwellings to cost $387,000.

"Contracts were awarded during November for the following publicly financed housing projects containing the indicated number of housekeeping units: Bristol, Conn., $325,000 for 100 units; South Portland, Me., $1,500,000 for 500 units; Camden, N. J., $650,000 for 200 units; Buffalo, N. Y., $1,249,000 for 300 units, Massena, N. Y., $623,000 for 200 units; Harrisburg, Pa., $225,000 for 75 units; Washington, Pa., $810,000 for 146 units; Rock Island, Ill., $370,000 for 136 units; Bainbridge, Ga., $180,000 for 60 units; Brunswick, Ga., $2,632,000 for 1,000 units; Mobile, Ala., $386,000 for 232 311,000 for 550 units, and $283,000 for 200 dormitory apartments; Alexandria, La., $450,000 for 148 units; Freeport, Texas, $350,000 for 100 units. In addition, contracts were awarded for dormitory accommodations for 2,716 persons at Washington, D. C., to cost $2,127,000; for 1,000 persons at Brunswick, Ga., to cost $700,000; and for 100 persons at Elizabeth City, N. C., to cost $63,000."

Details Revealed Of Mexican Debt Payment

Thomas W. Lamont of J. P. Morgan & Co. Incorporated, Chairman of the International Committee of Bankers on Mexico, with the approval of the Secretary of the Treasury of Mexico, Eduardo Suarez, made public on Dec. 17 to the holders of Mexican securities the schedule of annuity payments under the proposed plan for the resumption of service of the Mexican debt. The announcement said:

"Under the plan the Government of Mexico is to make annual payments for the service of bonds assenting to the agreement in an amount (based on the total of the bonds affected by the plan) of a maximum of 10,000,000 pesos or the dollar equivalent at present exchange rates.

"The Pan-American Trust Co., of 70 Wall St., New York City, will act as the fiscal agent under the proposed plan.

"The annuity will be distributed among the security holders assenting to the proposed plan in accordance with a schedule attached to the agreement between the Government and the committee, which schedule may be examined at the offices of the International Committee of Bankers on Mexico, 14 Wall St., New York City, or at the offices of Hardin, Hess & Eder, attorneys for the Mexican Government, 74 Trinity Place, New York City, and in London, England, at the office of Morgan Grenfell & Co., Ltd.

"The agreement for the resumption of service of the Mexican public debt is now before the Mexican Congress for approval."

The plan to resume service of the Mexican debt was reported in these columns Dec. 17, page 2169.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Dec. 29	116.78	107.27	116.80	114.08	108.88	92.06	97.00	111.81	114.27
28	116.78	107.44	117.00	113.89	108.88	92.20	97.00	111.81	114.46
26	116.78	107.27	116.61	113.89	108.88	92.20	96.85	111.81	114.27
25 Exchange Closed									
24	116.78	107.27	116.80	113.89	108.88	92.20	96.85	111.81	114.27
23	116.78	107.27	116.80	113.89	108.70	92.20	96.85	111.81	114.27
22	116.78	107.27	116.61	113.89	108.70	92.20	96.85	111.62	114.27
21	116.78	107.27	116.80	113.89	108.88	92.20	96.85	111.81	114.46
19	116.78	107.27	116.80	113.89	108.88	92.06	96.85	111.81	114.27
18	116.78	107.27	116.61	113.89	108.88	92.06	96.85	111.61	114.27
17	116.78	107.09	116.61	113.89	108.70	91.91	96.69	111.62	114.27
16	116.78	107.09	116.61	113.89	108.88	91.77	96.54	111.62	114.27
15	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.62	114.27
14	116.78	107.09	116.80	113.70	108.88	91.62	96.54	111.81	114.27
12	116.78	107.09	116.80	113.70	108.88	91.62	96.54	111.81	114.27
11	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
10	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
9	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
8	116.78	107.09	116.80	113.70	108.88	91.77	96.54	111.81	114.27
7	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
5	116.78	107.27	116.80	113.89	108.88	91.91	96.69	111.81	114.27
4	116.78	107.27	116.80	113.70	108.88	92.06	96.69	111.81	114.27
3	116.78	107.27	116.80	113.89	108.88	91.77	96.69	111.81	114.27
2	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
1	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
Nov 27	116.85	107.27	117.00	113.89	108.88	91.91	96.54	112.00	114.66
20	117.30	107.44	117.00	114.27	108.70	92.50	97.00	112.00	114.66
13	117.36	107.62	117.20	114.27	108.70	92.50	97.16	112.19	114.46
6	117.36	107.62	117.20	114.27	108.70	92.64	97.47	112.00	114.46
Oct 30	117.38	107.44	117.00	114.08	108.70	92.50	97.31	112.00	114.27
23	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.27
16	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
9	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
2	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
Sep 25	117.51	107.27	117.00	113.89	108.70	92.06	97.00	111.62	114.08
18	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
11	117.75	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
4	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
Aug. 28	117.85	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
21	117.93	106.92	116.80	113.31	108.16	92.06	96.38	111.44	114.08
14	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08
7	117.97	106.92	116.61	113.12	108.16	91.91	96.23	111.44	114.27
July 31	118.11	106.92	116.41	113.50	108.16	91.77	96.07	111.44	114.27
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107 80	92.06	97.31	110.52	113.70
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.4
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.6
1 Year ago Dec. 29, 1941-	117.63	105.86	115.82	113.50	107.44	89.78	95.62	110.15	113.12
2 Years ago Dec. 28, 1940-	119.52	106.56	118.60	114.85	106.74	89.64	95.92	110.52	114.66

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Dec. 29	2.08	3.32	2.81	2.95	3.23	4.27	3.94	3.07	2.94
28	2.08	3.31	2.80	2.96	2.23	4.26	3.94	3.07	2.93
26	2.08	3.32	2.82	2.96	3.23	4.26	3.95	3.07	2.94
25 Exchange Closed									
24	2.08	3.32	2.81	2.96	3.23	4.26	3.95	3.07	2.94
23	2.08	3.32	2.81	2.96	3.24	4.26	3.95	3.07	2.94
22	2.08	3.32	2.82	2.96	3.24	4.26	3.95	3.08	2.94
21	2.08	3.32	2.81	2.96	3.23	4.26	3.95	3.07	2.93
19	2.08	3.32	2.81	2.96	3.23	4.27	3.95	3.07	2.94
18	2.08	3.32	2.82	2.96	3.23	4.27	3.95	3.08	2.94
17	2.08	3.33	2.82	2.96	3.24	4.28	3.96	3.08	2.94
16	2.08	3.33	2.82	2.96	3.23	4.29	3.97	3.08	2.94
15	2.08	3.33	2.81	2.96	3.23	4.30	3.97	3.08	2.94
14	2.09	3.33	2.81	2.97	3.23	4.30	3.97	3.07	2.94
12	2.09	3.33	2.81	2.97	3.23	4.30	3.97	3.07	2.94
11	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
10	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
9	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
8	2.09	3.33	2.81	2.97	3.23	4.29	3.97	3.07	2.94
7	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
5	2.09	3.32	2.81	2.96	3.23	4.28	3.96	3.07	2.94
4	2.09	3.32	2.81	2.97	3.23	4.27	3.96	3.07	2.94
3	2.09	3.32	2.81	2.96	3.23	4.29	3.96	3.07	2.94
2	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
1	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
Nov 27	2.09	3.32	2.80	2.96	3.23	4.28	3.97	3.06	2.92
20	2.06	3.31	2.80	2.94	3.24	4.24	3.94	3.06	2.92
13	2.05	3.30	2.79	2.94	3.24	4.24	3.93	3.05	2.93
6	2.05	3.30	2.79	2.94	3.24	4.23	3.91	3.06	2.93
Oct 30	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.06	2.94
23	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.94
16	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
9	2.05	3.31	2.79	2.95	3.24	4.24	3.92	3.07	2.93
2	2.05	3.32	2.80	2.96	3.25	4.25	3.93	3.07	2.94
Sep 25	2.04	3.32	2.80	2.96	3.24	4.27	3.94	3.08	2.95
18	2.03	3.32	2.80	2.97	3.25	4.27	3.95	3.07	2.95
11	2.03	3.33	2.81	2.98	3.26	4.27	3.96	3.07	2.96
4	2.03	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
Aug 28	2.03	3.34	2.81	2.99	3.27	4.27	3.97	3.08	2.95
21	2.02	3.34	2.81	2.99	3.27	4.27	3.98	3.09	2.95
14	2.02	3.34	2.81	2.99	3.27	4.28	3.99	3.09	2.95
7	2.02	3.34	2.82	3.00	3.27	4.28	3.99	3.09	2.94
July 31	2.01	3.34	2.83	2.98	3.27	4.29	4.00	3.09	2.94
June 26	1.96	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
May 29	1.95	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
Apr. 24	1.99	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
Mar 27	1.96	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb 27	2.11	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	2.05	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
High 1941	2.13	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	1.84	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago Dec. 29, 1941-	2.01	3.40	2.86	2.98	3.31	4.43	4.03	3.16	3.00
2 Years ago Dec. 28, 1940-	1.87	3.36	2.72	2.91	3.35	4.44	4.01	3.14	2.92

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Sept. 17, 1942, page 995.

Labor Bureau's Wholesale Commodity Index Advanced 0.2% During Week Ended Dec. 19

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Dec. 24 that further sharp increases in primary market prices for grains, cotton, and certain fruits and vegetables, and higher prices for hay, hogs and sheep caused the Bureau's comprehensive index of nearly 900 price series to advance 0.2% during the week ended Dec. 19. The index, at 100.7% of the 1926 average, is at a new high level for the past 16 years.

The Bureau's announcement further stated:

"Farm Products and Foods: Led by an advance of 3.2% for grains, the level for farm products rose 1.2% during the week. Wheat prices increased 5% and corn about 2%. Hogs were nearly 3% higher, while prices of sheep rose about 8%. Other important products showing marked increases were hay, peanuts, flaxseed, leaf tobacco, cotton and citrus fruits. Average prices for cows and steers, on the contrary, declined more than 1½%.

"The general price level for farm products is more than 13% higher than for the year 1926 and in the past year has risen 18%.

"During the week market prices for foods advanced 0.2%. In addition to the increase for fruits and vegetables, which is partly seasonal, cereal products, mainly oatmeal and flour, advanced 0.3%. Following the sharp increase of the previous week prices of mutton declined nearly 15%.

"Higher prices for bran and middlings brought the index for cattle feed up 2.8%.

"Industrial Commodities: Reported prices for most industrial commodities remained unchanged. Further fractional advances were reported for coal, continuing to reflect the higher transportation costs. Prices for antimony, maple flooring, and boxboard rose slightly and Pennsylvania neutral oil and rosin declined."

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Nov. 21, 1942 and Dec. 19, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups	12-19 1942	12-12 1942	12-5 1942	11-21 1942	12-20 1941	Percentage changes to Dec. 19, 1942 from— 12-12 1942	11-21 1942	11-20 1941
All commodities	*100.7	*100.5	*100.1	*100.1	94.0	+0.2	+0.6	+ 7.1
Farm products	113.3	112.0	110.6	110.9	96.0	+1.2	+2.2	+18.0
Foods	104.2	104.0	103.3	103.3	91.6	+0.2	+0.9	+13.8
Hides and leather products	118.4	118.4	118.4	118.4	115.5	0	0	+ 2.5
Textile products	96.6	96.6	96.6	96.6	91.4	0	0	+ 5.7
Fuel and lighting materials	79.9	80.0	79.8	79.7	79.0	—0.1	+0.3	+ 1.1
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.4	0	0	+ 0.5
Building materials	110.0	110.0	110.0	110.2	107.5	0	—0.2	+ 2.3
Chemicals and allied products	99.5	99.5	99.6	99.5	91.7	0	0	+ 8.5
Housefurnishing goods	104.1	104.1	104.1	104.1	102.3	0	0	+ 1.8
Miscellaneous commodities	90.4	90.3	90.0	89.9	87.5	+0.1	+0.6	+ 3.3
Raw materials	105.4	104.7	103.7	103.8	93.3	+0.7	+1.5	+13.0
Semimanufactured articles	92.5	92.5	92.5	92.5	90.0	0	0	+ 2.8
Manufactured products	*99.8	*99.8	*99.7	*99.7	95.1	0	+0.1	+ 4.9
All commodities other than farm products	*98.0	*98.0	*97.8	*97.8	93.5	0	+0.2	+ 4.8
All commodities other than farm products and foods	*96.2	*96.2	*96.1	*96.1	93.9	0	+0.1	+ 2.4

*Preliminary.

Churchill Hopes US Ties Will 'Far Outlive' War

Prime Minister Churchill of Great Britain, answering President Roosevelt's Christmas greetings to Allied troops, said on Dec. 26, that "bonds of respect, comprehension and comradeship have been forged" between the two nations, "which will, I pray, far outlive this war."

The text of Churchill's message to the President follows, according to Associated Press London advices:

"I have received the stirring message sent by you, Mr. President, at this season, from Congress and on behalf of the people of the United States, and have arranged for its transmission to the armed forces of Great Britain on land and sea and in the air in all parts of the empire or in enemy territory.

"I know it would be their wish that I should cordially reciprocate these greetings.

"During the past year we have welcomed ever-growing forces from America in our ports and camps and on our airfields. In all theaters of operations men of America and men of Britain have fought side by side under each other's command as circumstances required.

"Bonds of respect, comprehension and comradeship have been forged which will, I pray, far outlive this war and be a lasting support in labors of peace when, after we have won the victory, we strive to build together a better and happier world."

Conf. Board Reports Nov. Living Costs Up

The cost of living for wage earners and lower-salaried clerical workers in November, rose in 67 out of the 70 cities surveyed each month by the National Industrial Conference Board. The largest advance, 1.9%, was shown in San Francisco, and five other cities rose 1% or more. No change occurred in Indianapolis, while in two cities—Cincinnati and New Orleans—living costs went down 0.2%. For the United States as a whole, the cost of living rose 0.6%. The Board, under date of Dec. 18, also said:

"Living costs were higher this November than in November, 1941, in all cities for which comparable figures are available. San Francisco recorded the largest increase during the twelve-month period with an advance of 12.4%. The smallest was shown in Dayton, where it rose only 5.5%. The cost of living for the United States as a whole stands 8% higher than a year ago, and 16.6% above January, 1941."

Moody's Daily Commodity Index

Tuesday, Dec. 22	239.9
Wednesday, Dec. 23	238.9
Thursday, Dec. 24	239.6
Friday, Dec. 25	*
Saturday, Dec. 26	238.9
Monday, Dec. 28	239.7
Tuesday, Dec. 29	239.8
Two weeks ago, Dec. 15	236.5
Month ago, Nov. 28	230.6
Year ago, Dec. 29	217.9
1941 High, Sept. 9	219.9
Low, Feb. 17	171.6
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0

*Holiday.

MBA To Survey Funds For War Housing Finan

Declaring that the rising influence of "public housers" in Federal housing activities has reached a point where they may possibly seek abolition of the Federal Housing Administration, contending its need no longer exists, Charles A. Mullenix, President of the Mortgage Bankers Association of America, announced on Dec. 12 that the Association is beginning immediately a survey among mortgage lenders to determine the availability of private funds for further war housing financing.

Mr. Mullenix stated:

"The immediate danger is that the so-called 'public housers'—those inside and outside the Federal housing agencies who apparently feel that the time has come for the Government to take over all war housing financing—will use the present wartime status of building and building financing to take the first important step in what may well be the socialization of property financing.

"There is no apparent shortage of private funds for financing war housing and, despite the fact that more and more institutional funds will now go into war bonds, I am convinced there will be no shortage. For that reason we want to determine definitely if ample funds will be available for FHA Title VI construction and permanent financing and what are the principal sources for these funds, that is, insurance companies, savings and loan associations, banks and trust companies and private investors. Data secured from our members, representing as they do the great bulk of mortgage funds in this country, ought to conclusively demonstrate whether or not private enterprise is capable of continuing its wartime housing activities."

Offers To Buy New South Wales Bonds

City Bank Farmers Trust Co. as fiscal agent, is notifying holders of Metropolitan Water, Sewerage & Drainage Board, State of New South Wales, Australia, 20-year 5½% sinking fund gold bonds due April 1, 1950, that it will receive written proposals for the sale to it of a sufficient amount of the bonds to exhaust any funds available in the sinking fund, at the lowest prices offered, but not exceeding 100% of the principal and accrued interest.

Written proposals will be received at the corporate trust department of the fiscal agent, 22 William Street, New York, on or before Jan. 4, 1943.

Phillips Envoy To India

President Roosevelt disclosed on Dec. 11 that he had assigned William C. Phillips, former Ambassador to Italy, to be his personal representative in India, with the rank of Ambassador.

The President told a press conference that Mr. Phillips would not carry to India any special plan or formula for solution of the Indian problem.

Mr. Phillips, now in London, is expected to go to New Delhi in the near future, to take charge of an American mission established there in November, 1941, by Thomas M. Wilson, who is now Minister to Iraq. Col. Louis Johnson later served as head of the mission, but was forced to return to this country during the Summer on account of illness. The post has since been vacant.

Mr. Phillips entered the diplomatic service in 1903, and has served twice as Undersecretary of State. He was United States Ambassador in Rome at the outbreak of the war with Italy.

Revenue Freight Car Loadings During Week Ended Dec. 19, 1942, Totaled 742,911 Cars

Loading of revenue freight for the week ended Dec. 19, 1942, totaled 742,911 cars, the Association of American Railroads announced on Dec. 28. This was a decrease below the corresponding week of 1941, of 55,957 cars or 7.0%, but an increase above the same week in 1940, of 45,156 cars or 6.5%.

Loading of revenue freight for the week of Dec. 19, increased 2,575 cars or 0.3% above the preceding week.

Miscellaneous freight loading totaled 358,898 cars, an increase of 3,317 cars above the preceding week, but a decrease of 6,753 cars below the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 87,147 cars, a decrease of 3,820 cars below the preceding week, and a decrease of 62,919 cars below the corresponding week in 1941.

Coal loading amounted to 163,525 cars, a decrease of 2,441 cars below the preceding week, but an increase of 7,294 cars above the corresponding week in 1941.

Grain and grain products loading totaled 47,565 cars, an increase of 2,716 cars above the preceding week, and an increase of 6,134 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Dec. 19 totaled 32,753 cars, an increase of 2,280 cars above the preceding week, and an increase of 6,191 cars above the corresponding week in 1941.

Live stock loading amounted to 15,661 cars, a decrease of 1,757 cars below the preceding week, but an increase of 1,111 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Dec. 19 totaled 11,405 cars, a decrease of 1,546 cars below the preceding week, but an increase of 504 cars above the correspounding week in 1941.

Forest products loading totaled 41,496 cars, an increase of 4,559 cars above the preceding week but a decrease of 1,674 cars below the corresponding week in 1941.

Ore loading amounted to 13,855 cars, a decrease of 210 cars below the preceding week, but an increase of 103 cars above the corresponding week in 1941.

Coke loading amounted to 14,764 cars, an increase of 211 cars above the preceding week, and an increase of 747 cars above the corresponding week in 1941.

All districts reported decreases compared with the corresponding week in 1941, except the Central West and Southwestern, but all districts reported increases above the corresponding week in 1940 except the Eastern.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,413,435	2,822,450
Five weeks of August	4,350,948	4,463,372	3,717,933
Four weeks of September	3,503,658	3,540,210	3,135,122
Five weeks of October	4,512,046	4,553,007	4,064,273
Four week of November	3,236,051	3,423,038	2,985,626
Week of Dec. 5	759,621	833,375	738,513
Week of Dec. 12	740,336	807,225	736,340
Week of Dec. 19	742,911	798,868	697,755
Total	42,227,144	41,683,262	35,812,547

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 12, 1942. During this period only 43 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS—WEEK ENDED DEC. 12)

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	285	640	562	1,335	1,607
Bangor & Aroostock	1,723	1,690	1,504	191	235
Boston & Maine	5,768	8,330	7,808	13,562	13,464
Chicago, Indianapolis & Louisville	1,492	1,621	1,561	1,895	2,318
Central Indiana	31	34	11	54	44
Central Vermont	1,030	1,417	1,305	2,138	2,801
Delaware & Hudson	6,019	5,146	6,128	11,508	10,844
Delaware, Lackawanna & Western	6,902	8,647	9,400	10,101	9,219
Detroit & Mackinac	479	390	346	131	145
Detroit, Toledo & Ironton	1,511	2,574	2,861	1,438	1,365
Detroit & Toledo Shore Line	293	353	385	3,414	3,985
Erie	10,703	14,131	13,647	16,183	15,362
Grand Trunk Western	3,911	5,417	6,302	8,023	9,408
Lehigh & Hudson River	203	212	151	2,761	2,759
Lehigh & New England	1,774	1,450	2,241	1,543	1,656
Lehigh Valley	7,613	8,904	9,983	12,315	9,737
Maine Central	2,226	3,250	3,054	2,948	3,009
Monongahela	5,807	6,131	4,134	409	362
Montour	2,371	2,341	1,568	23	22
New York Central Lines	43,028	47,978	45,235	52,889	47,374
N. Y., N. H. & Hartford	9,002	12,548	10,939	17,488	16,367
New York, Ontario & Western	1,069	1,056	1,162	1,951	2,237
New York, Chicago & St. Louis	6,346	6,330	5,319	15,801	14,061
N. Y., Susquehanna & Western	375	488	400	2,112	1,354
Pittsburgh & Lake Erie	7,122	8,426	7,721	7,686	7,631
Pere Marquette	5,073	6,251	6,558	7,748	6,288
Pittsburg & Shawmut	751	707	490	9	39
Pittsburg, Shawmut & North	282	376	443	240	280
Pittsburgh & West Virginia	1,029	785	845	2,950	2,150
Rutland	330	598	598	816	1,065
Wabash	5,319	6,547	5,412	12,613	10,540
Wheeling & Lake Erie	4,570	4,512	3,776	5,038	4,259
Total	144,437	169,280	161,849	217,313	201,987
Allegheny District—					
Akron, Canton & Youngstown	708	619	620	1,010	1,150
Baltimore & Ohio	35,944	38,236	33,751	25,511	20,843
Bessemer & Lake Erie	3,050	3,097	2,741	2,153	1,369
Buffalo Creek & Gauley	319	325	270	3	4
Cambria & Indiana	1,790	2,030	1,945	6	12
Central R. R. of New Jersey	6,847	7,183	7,450	19,812	15,422
Cornwall	609	558	694	61	52
Cumberland & Pennsylvania	220	337	309	16	21
Ligonier Valley	132	131	159	53	54
Long Island	1,138	832	794	3,051	2,937
Penn-Reading Seashore Lines	1,668	1,681	1,302	2,210	1,993
Pennsylvania System	69,555	81,617	68,873	61,858	50,324
Reading Co.	13,195	15 288	16,696	27,476	24,089
Union (Pittsburgh)	20,836	20,201	20,260	4,486	4,475
Western Maryland	3,773	4,224	3,744	12,240	9,261
Total	159 784	176 359	159 608	159,946	132,011
Pocahontas District—					
Chesapeake & Ohio	27,328	25,587	21,953	10,791	10,357
Norfolk & Western	21,266	21,599	20,401	6,630	5,673
Virginian	4,559	4,834	4,334	2,077	2,082
Total	53,153	52,020	46,688	19,498	18,112
Southern District—					
Alabama, Tennessee & Northern	382	370	249	223	204
Atl. & W. P.—W. R. R. of Ala.	641	842	736	2,503	2,009
Atlanta, Birmingham & Coast	671	784	730	1,488	1,414
Atlantic Coast Line	13,537	11,581	12,245	9,928	7,117
Central of Georgia	3,628	4,366	4,334	4,416	4,047
Charleston & Western Carolina	362	507	429	1,406	1,629
Clinchfield	1,623	1,915	1,396	2,858	2,802
Columbus & Greenville	292	281	309	266	338
Durham & Southern	78	196	171	561	582
Florida East Coast	1,526	1,031	924	1,634	1,026
Gainesville Midland	38	36	30	74	98
Georgia	1,077	1,542	1,145	2,330	2,405
Georgia & Florida	339	437	373	447	800
Gulf, Mobile & Ohio	3,604	4,324	3,632	4,325	3,637
Illinois Central System	26,067	29,442	22,792	16,056	14,272
Louisville & Nashville	23,751	24,774	23,457	10,448	8,144
Macon, Dublin & Savannah	186	182	150	672	672
Mississippi Central	147	142	143	470	495
Nashville, Chattanooga & St. L.	2,851	3,640	3,361	4,590	3,655
Norfolk Southern	963	1,169	1,110	1,450	1,264
Piedmont Northern	360	523	452	1,418	1,645
Richmond, Fred. & Potomac	356	457	379	9,929	7,037
Seaboard Air Line	10,111	10,987	11,203	8,955	6,999
Southern System	20,235	24,788	23,655	23,822	20,610
Tennessee Central	478	645	497	857	734
Winston-Salem Southbound	101	141	138	925	857
Total	113,404	125,102	114,040	112,051	94,492
Northwestern District—					
Chicago & North Western	14,736	17,303	16,724	13,332	13,116
Chicago Great Western	2,385	2,832	2,661	2,986	3,439
Chicago, Milw., St. P. & Pac.	19,207	22,645	20,742	9,677	9,289
Chicago, St. Paul, Minn. & Omaha	3,956	4,420	4,137	3,398	4,047
Duluth, Missabe & Iron Range	1,419	927	776	265	359
Duluth, South Shore & Atlantic	592	614	592	655	570
Elgin, Joliet & Eastern	7,595	10,273	9,355	10,804	10,872
Ft. Dodge, Des Moines & South	436	560	461	126	179
Great Northern	11,791	12,629	10,798	4,787	3,925
Green Bay & Western	533	568	560	792	734
Lake Superior & Ishpeming	237	261	253	50	73
Minneapolis & St. Louis	2,062	2,032	2,015	2,085	2,154
Minn., St. Paul & S. S. M.	4,484	5,709	5,108	3,112	3,179
Northern Pacific	10,505	11,929	9,986	4,410	4,228
Spokane International	122	102	99	587	334
Spokane, Portland & Seattle	1,861	2,416	2,020	3,093	2,345
Total	81,921	95,220	86,287	60,159	58,843
Central Western District—					
Atch., Top. & Santa Fe System	21,096	23,101	19,897	11,578	8,933
Alton	3,120	3,641	2,947	4,085	2,849
Bingham & Garfield	369	604	516	95	93
Chicago, Burlington & Quincy	18,226	18,657	17,549	10,841	10,843
Chicago & Illinois Midland	2,436	2,737	2,706	866	813
Chicago, Rock Island & Pacific	11,527	12,895	11,691	12,234	10,376
Chicago & Eastern Illinois	2,350	3,110	2,720	5,049	3,088
Colorado & Southern	1,069	1,252	807	1,477	1,870
Denver & Rio Grande Western	4,281	3,640	3,589	5,018	4,133
Denver & Salt Lake	790	711	806	9	18
Fort Worth & Denver City	840	1,295	868	1,071	1,394
Illinois Terminal	1,547	2,070	1,700	1,401	1,614
Missouri-Illinois	973	1,158	896	387	476
Nevada Northern	2,065	2,044	1,901	111	128
North Western Pacific	936	1,051	799	578	434
Peoria & Pekin Union	30	25	21	0	0
Southern Pacific (Pacific)	29,401	28,726	25,483	12,164	8,192
Toledo, Peoria & Western	305	110	397	1,634	165
Union Pacific System	13,705	17,695	15,781	11,109	11,389
Utah	692	507	516	8	3
Western Pacific	2,333	2,685	2,195	3,029	2,683
Total	118,091	127,714	113,785	82,744	69,404
Southwestern District—					
Burlington-Rock Island	179	125	148	285	282
Gulf Coast Lines	5,289	3,595	3,054	2,085	2,264
International-Great Northern	2,948	2,286	1,723	3,046	2,603
Kansas, Oklahoma & Gulf	377	320	188	1,054	1,013
Kansas City Southern	5,301	2,710	2,299	2,541	2,984
Louisiana & Arkansas	3,241	2,531	2,128	2,260	2,280
Litchfield & Madison	301	375	397	1,029	953
Midland Valley	677	617	704	230	300
Missouri & Arkansas	144	158	144	414	423
Missouri-Kansas-Texas Lines	6,058	4,848	4,508	4,976	3,780
Missouri Pacific	15,373	17,515	15,948	17,595	12,310
Quanah Acme & Pacific	137	152	110	444	182
St. Louis-San Francisco	8,679	9,561	8,791	7,985	6,035
St. Louis Southwestern	2,540	2,985	2,766	5,316	3,692
Texas & New Orleans	13,221	8,676	6,932	4,680	4,407
Texas & Pacific	4,961	4,897	4,098	7,426	5,829
Wichita Falls & Southern	104	153	135	38	40
Weatherford M. W. & N. W.	16	26	10	20	32
Total	69,546	61,530	54,083	61,424	49,409

Note—Previous year's figures revised.

Special Depositaries Of Treasury Increase

Secretary of the Treasury Morgenthau announced on Dec. 22 that Special Depositaries of the Treasury numbered 5,260 on Dec. 19 and that they are qualified to hold $9,354,929,664 of Government deposits. The Treasury's announcement said:

"These figures compare with 3,253 depositaries eligible to hold an aggregate of $6,228,913,514 on last Oct. 31, the increase being due to a special effort to increase these depositaries conducted by the Treasury in cooperation with the Federal Reserve System.

"In order to keep the funds raised by sale of Government securities in the communities where raised until actually needed to meet Federal payments, the Secretary asked the Federal Reserve Banks to circularize the banks in their districts with a view to having them qualify for use of the "War Loan Accounts" as Special Depositaries. Those taking advantage of this method of participating in Treasury financing are thus able to retain the proceeds of the sales of securities subscribed for their own account and those of their customers until called by the Treasury.

"The number of Special Depositaries, with the amounts they were qualified to hold on Oct. 31 and as of Dec. 19, are given by Federal Reserve Districts in the table that follows:

Districts	October 31		December 19	
	No.	Amount	No.	Amount
Boston	169	$292,080,000	250	$461,116,485
New York	500	3,243,320,139	656	4,317,176,624
Philadelphia	299	324,510,150	431	407,812,235
Cleveland	191	325,120,000	426	557,784,985
Richmond	173	181,509,500	334	321,232,485
Atlanta	295	197,260,350	402	282,021,835
Chicago	458	732,010,550	566	1,059,188,285
St. Louis	181	169,577,800	273	241,862,735
Minneapolis	235	79,284,200	949	748,033,950
Kansas City	439	173,393,025	585	232,733,760
Dallas	230	194,087,000	289	310,428,485
San Francisco	83	316,760,800	99	415,537,800
Totals	3,253	$6,228,913,514	5,260	$9,354,929,664

A previous reference to the increase in the number of special depositaries appeared in our Dec. 24 issue, page 2260.

Reports Red Cross Spent $62,000,000 for Foreign Relief

Norman H. Davis, Chairman of the American Red Cross, reported on Dec. 9 the expenditure of $62,000,000 for foreign war relief in the first year of the war had "touched the lives of almost 30,000,000 people."

Making his report at the organization's annual meeting in Washington, Mr. Davis added that approximately $5,000,000 also had been spent for relief of United Nations prisoners of war.

The reappointment of Mr. Davis by President Roosevelt was announced at the Board of Incorporators meeting, presided over by Chief Justice Harlan F. Stone. Chairman Davis said that two noteworthy accomplishments of the year were the training of 5,500,000 persons in first aid and the collection of 1,000,000 units of blood plasma, in contrast to only 50,000 units collected in 1941.

Other achievements noted were the training of 500,000 women in home nursing, 60,000 women as volunteer nurses's aides to aid in relieving the nurse shortage and the expansion of volunteers to 3,500,000 in all Red Cross services. Volunteers produced 350,000,000 surgical dressings for the Army and Navy and United Nations, besides millions of garments and other articles, he stated.

More than 2,000,000 men in the armed forces had been aided through the services to the armed forces in solving personal problems, Mr. Davis stated.

The Chairman said the first war fund of the Red Cross for $50,000,000, announced the day after Pearl Harbor, was oversubscribed $20,900,000. For 1943, he added, the Red Cross will make one appeal for a war fund, in March, hense the usual November roll call was not held.

Senate Group Asks Farm Price Inquiry

The Senate Agriculture Committee approved on Nov. 30 a resolution calling for an investigation of the Price Control Act with respect to farm prices.

The investigation, proposed by Senators Gillette (Dem., Iowa) and Reed (Rep., Kan.) would authorize the Agriculture Committee to make a continuing study of the fixing of maximum prices for agricultural commodities, the payment of subsidies in connection with farm products and the operations of the Commodity Credit Corporation with reference to "losses sustained" to maintain minimum or maximum prices.

Adoption of the measure by the Senate group was prompted, it is stated, by the Administration's interpretation of the Price Control Act. The "farm bloc" protests against action taken by the Office of Price Administration and Department of Agriculture in carrying out a Presidential order directing that governmental payments to agricultural producers and subsidy payments be considered in arriving at the mimimum farm ceiling prices.

Several Senators have contended that it was not the intent of Congress in enacting the Price Control Act that it should be interpreted as authorizing the use of a parity price formula including Government benefits paid to farmers.

Stabilization Director Byrnes, Price Administrator Henderson and Secretary of Agriculture Wickard have testified that their taking into account such benefit payments in fixing the minimum ceiling prices for agricultural commodities was not in violation of the law.

Electric Output For Week Ended Dec. 26, 1942 Shows 13.6% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Dec. 26, 1942 was approximately 3,675,000,000 kwh., compared with 3,234,128,000 kwh. in the corresponding week last year, an increase of 13.6%. The output for the week ended Dec. 19, 1942, was 13.8% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Dec. 19	Dec. 12	Dec. 5	Nov. 28
New England	1.0	*0.7	0.4	0.8
Middle Atlantic	7.8	5.3	7.4	5.6
Central Industrial	10.8	8.4	8.5	7.5
West Central	10.9	12.0	12.1	13.9
Southern States	21.6	26.5	28.7	29.0
Rocky Mountain	10.1	8.1	9.7	9.9
Pacific Coast	28.6	29.3	24.0	20.0
Total United States	13.8	13.3	13.7	12.8

*Decrease from 1941.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Sep 5	3,672,921	3,132,954	+12.4	2,591,957	1,423,977	1,674,588
Sep 12	3,583,408	3,222,346		2,773,177	1,476,442	1,806,259
Sep 19	3,756,922	3,273,375	+14.8	2,769,346	1,490,863	1,792,131
Sep 26	3,720,254	3,273,376	+13.7	2,816,358	1,499,459	1,777,854
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503	1,806,403
Oct 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145	1,798,633
Oct 24	3,752,571	3,340,768	+12.3	2,866,827	1,533,028	1,824,160
Oct 31	3,774,891	3,380,488	+11.7	2,882,137	1,525,410	1,815,749
Nov 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730	1,798,164
Nov 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584	1,793,584
Nov 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268	1,818,169
Nov 28	3,766,381	3,339,364	+12.8	2,931,877	1,510,337	1,718,002
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec. 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec. 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec. 26	*3,675,000	3,234,128	+13.6*	2,757,259	1,414,710	1,637,683

*Subject to revision.

National Fertilizer Association Commodity Price Index Continues To Advance

The weekly wholesale commodity price index compiled by the National Fertilizer Association, and made public on Dec. 28, was again higher last week. In the week ended Dec. 26, 1942 this index was 132.2% of the 1935-1939 average. It was 131.7 in the preceding week, 130.5 a month ago, and 119.5 a year ago. The index has risen 10.2% since the first of the year, and is now 32.5% above the corresponding week of 1940. The Association's report went on to say:

The all-commodity price index went still higher last week as five of the eleven principal group indexes advanced and none declined. The farm products price index continued its upward trend, with six important items included in the group advancing and only cattle and hay declining. Advancing prices for fluid milk and chickens more than offset a decrease in lamb, resulting in a further rise in the food price index. An increase in the textile index was the result of an advance in raw cotton. The price of linseed oil was up, resulting in a very slight advance in the building materials average. The only other group to change during the week was the fertilizer materials index, which rose fractionally, due to an advance in the price of bone meal.

During the week nine commodities advanced and three declined; in the preceding week there were 16 advances and three declines, in the second preceding week there were 17 advances and no declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Dec. 26, 1942	Preceding Week Dec. 19, 1942	Month Ago Nov. 21, 1942	Year Ago Dec. 27, 1941
25.3	Foods	135.8	134.9	134.0	115.8
	Fats and Oils	148.8	148.8	147.0	122.7
	Cottonseed Oil	164.7	164.7	160.0	156.0
23.0	Farm Products	147.0	145.6	142.0	125.8
	Cotton	187.9	187.0	183.5	166.1
	Grains	128.7	128.3	116.4	114.8
	Livestock	144.8	142.7	141.3	120.5
17.3	Fuels	119.3	119.3	119.3	113.0
10.8	Miscellaneous commodities	129.5	129.5	128.4	126.3
8.2	Textiles	149.2	149.0	148.5	141.9
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.4	151.3	151.3	131.6
1.3	Chemicals and drugs	127.6	127.6	127.6	113.6
.3	Fertilizer materials	117.6	117.5	117.5	115.4
.3	Fertilizers	115.3	115.3	115.3	119.7
.3	Farm machinery	104.1	104.1	104.1	103.4
100.0	All groups combined	132.2	131.7	130.5	119.5

*Indexes on 1926-1928 base were Dec. 26, 1942, 103.0; Dec. 19, 102.6; Dec. 27, 1941, 93.1.

Daily Average Crude Oil Production For Week Ended Dec. 19 1942, Gained 10,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 19, 1942 was 3,891,500 barrels, an increase of 10,350 barrels over the preceding week. It was, however, 422,650 barrels per day less than during the corresponding period last year, and 124,400 barrels below the daily average figure for the month of December, 1942, as recommended by the Office of Petroleum Administration for War. Daily production for the four weeks ended Dec. 19, 1942, averaged 3,871,250 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 85.8% of the 4,790,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,667,000 barrels of crude oil daily during the week ended Dec. 19, 1942 and that all companies had in storage at refineries, at bulk terminals, in transit and in pipe lines as of the end of that week, 79,131,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,875,000 barrels during the week ended Dec. 19, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations December	*State Allowables Beginning Dec. 1	Actual Production— Week Ended Dec. 19 1942	Change From Previous Week	4 Weeks Ended Dec. 19 1942	Week Ended Dec. 20 1941
Oklahoma	403,900	403,900	†357,150	+ 7,850	359,050	413,150
Kansas	300,700	300,700	†305,700	+21,000	293,850	251,600
Nebraska	3,400	------	†3,000	+ 100	2,950	5,150
Panhandle Texas			93,200	----	92,100	98,650
North Texas			139,900	+ 4,100	137,200	140,350
West Texas			209,300	+ 1,000	209,800	340,000
East Central Texas			101,500	+ 200	99,550	91,600
East Texas			358,600	----	357,400	440,700
Southwest Texas			174,000	— 850	174,900	255,700
Coastal Texas			313,650	+ 450	313,300	339,000
Total Texas	1,350,400	‡1,470,658	1,390,150	+ 4,900	1,384,250	1,706,000
North Louisiana			90,150	— 2,150	92,950	82,250
Coastal Louisiana			223,000	+ 400	224,500	276,850
Total Louisiana	326,100	337,600	313,150	— 1,750	317,450	359,100
Arkansas	77,300	73,461	73,700	+ 100	73,700	73,700
Mississippi	50,000		†59,100	+ 1,500	60,050	70,100
Illinois	274,100		239,000	—16,250	249,200	386,000
Indiana	17,700		†14,700	— 1,500	15,800	20,250
Eastern (Not incl. Ill. & Ind.)	107,600		88,800	— 2,900	89,950	95,350
Michigan	63,800		58,900	— 1,500	59,200	52,600
Wyoming	94,500		91,300	+ 1,100	91,050	84,350
Montana	24,700		22,650	----	22,600	22,700
Colorado	7,000		6,350	— 350	6,700	5,300
New Mexico	99,700	99,700	93,350	— 2,450	95,200	118,500
Total East of Calif	3,200,900		3,117,000	+ 9,850	3,121,000	3,663,850
California	815,000	§815,000	774,500	+ 500	750,250	650,300
Total United States	4,015,900		3,891,500	+10,350	3,871,250	4,314,150

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in September, 1942, as follows: Oklahoma 30,200; Kansas 5,100; Texas 104,900; Louisiana 20,500; Arkansas 3,000; Illinois 9,400; Eastern (not including Illinois and Indiana) 9,000; Michigan 100; Wyoming 2,400; Montana 300; New Mexico 6,000; California 42,400.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m., Dec. 16.

‡This is the net basic allowable as of Dec. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 16 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED DEC. 19, 1942
(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,430	88.1	1,663	68.4	4,945	36,650	§24,501	14,412
Appalachian	176	84.8	149	84.7	386	2,693	708	436
Ind., Ill., Ky.	804	84.9	713	88.7	2,139	14,094	5,699	2,030
Okla., Kansas, Mo.	416	80.1	360	86.5	1,131	6,089	1,908	1,289
Rocky Mountain	147	48.0	94	63.9	306	1,442	358	529
California	817	89.9	688	84.2	1,968	18,163	12,706	55,509
Tot. U. S. B. of M. basis, Dec. 19, 1942	4,790	85.8	3,667	76.6	10,875	†79,131	45,880	74,205
Tot. U. S. B. of M. basis, Dec. 12, 1942	4,790	85.8	3,744	78.2	11,261	77,622	47,794	74,785
U. S. Bur. of Mines basis, Dec. 20, 1941			4,077		14,078	92,806	50,806	94,210

*At the request of the Office of Petroleum Administration for War. †Finished 70,122,000 barrels; unfinished 9,009,000 barrels. ‡At refineries, at bulk terminals, in transit, and in pipe lines. §Approximately 250,000 barrels of indicated decline from last week due to earmarking approximately that amount for government use.

Steel Operations At Increased Rate—Scrap Situation Improves—Ore Supply Is Large

The American Iron and Steel Institute, on Dec. 28, announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.2% of capacity for the week beginning Dec. 28, compared with 98.1% one week ago, 98.3% one month ago and 96.1% one year ago. This represents an increase of 0.1 point or 0.1% from the preceding week. The operating rate for the week beginning Dec. 28 is equivalent to 1,679,900 tons of steel ingots and castings, compared to 1,678,200 tons one week ago, 1,681,600 tons one month ago, and 1,587,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 28 stated in part: "Closing days of the year see no remission in production activity. Christmas is not being observed in steelmaking departments and only part of finishing mill capacity is taking time off for the holiday.

"In general the week averaged up well, Friday's loss being compensated by change in schedules on other days. Among foundries there will be few suspensions at the year end for inventories and these will be matched by heavier production before and after.

"In finished steel there may be some actual gain over the holidays, plate buying already showing some rise as a number of consumers follow their usual practice of entering orders at the time they send in their No. 298 forms covering requests for deliveries two months ahead. They are supposed to have their orders in at least 35 days ahead of time. This year Christmas fell on the deadline date, hence some leeway is allowed.

"Another factor which may offset holiday influences is receipt by consumers of PRP quotas for first quarter. Some buyers have held back what tonnage they could, until they knew what they could expect under these quotas. While the overall policy of Washington with respect to first quarter quotas is not known, it appears somewhat more liberal and requests have been cut less drastically than for fourth quarter, according to some consumers. The most stringent condition still is in alloy steels, large rounds and flats and semifinished, forgers having great difficulty in obtaining the latter.

"Sheet deliveries are tight, even highly-rated tonnage commanding delivery in March from most makers although some cold rollers can ship in February on current orders. Large rounds and flats are as deferred as ever though smaller bar sizes are a little easier, with shipments in six to eight weeks on top ratings. Shapes are easy, with deliveries in three to four weeks on all AA ratings.

"The steel industry has been asked to make a voluntary saving in fluorspar in 1943 to prevent an expected shortage in metallurgical grades, which is estimed at about 50,000 tons. Increased production has been attained but not sufficiently to keep up with the high rate of steel output.

"Scrap supply in general is considered sufficient to reach well into the winter as melters have fair reserves in most cases and yards have considerable tonnage it has not been possible to prepare under weather and labor conditions. This is expected to come out to replenish stocks over the next few weeks. Special Projects Branch of WPB Conservation Division has practically completed clearing a number of projects which will yield large tonnages of high-grade material. Output of industrial scrap from war production is increasing somewhat but tonnage from automobile wreckers is declining as supply of cars for scrapping has decreased materially.

"Blast furnaces in November consumed 7,227,497 gross tons of Lake Superior iron ore, compared with 7,370,595 tons in October. To Dec. 1 consumption had aggregated 76,173,610 tons, compared with 67,707,421 tons in the same period last year. Ore on hand at lower lake docks and furnaces Dec. 1 totaled 45,031,008 tons, against 38,839,932 tons a year ago, deemed sufficient to meet needs until fresh supplies are moved next season."

Byrnes Given Power To Settle Food Disputes

President Roosevelt has designated James F. Byrnes, Economic Stabilization Director, to act as his agent in any disagreements which may arise between Secretary of Agriculture Wickard and any officer or agency of the Government as the result of Mr. Wickard's control over the nation's food program. This was disclosed by the White House on Dec. 15 when the President's letter making Mr. Byrnes the mediator in food conflicts was made public. Mr. Roosevelt's letter was dated Dec. 7, the day after issuance of the executive order delegating to Mr. Wickard "full responsibility for and control over the nation's food program" (referred to in our issue of Dec. 10, page 2070).

The President's letter said:

"I have approved an executive order which vests in the Secretary of Agriculture the responsibility for and control over the nation's food program. The order provides that in the event of any disagreement arising between the Secretary and any officer or agency of the Government in the administration of the provisions of the order, such disagreement shall be submitted to me or my agent for final decision.

"In addition to your duties as Economic Stabilization Director, I wish you would also serve as my agent with respect to the above."

Fuel Oil Rations Increased In 13 States

Price Administrator Leon Henderson on Dec. 22 increased fuel oil rations in 13 Middle Western States in accordance with the rationing formula which permits adjustments in coupon value when temperatures vary abnormally.

The States are Ohio, Kentucky, Illinois, Michigan, Indiana, Missouri, Kansas, Minnesota, Wisconsin, Nebraska, North Dakota, South Dakota and Iowa. In this area the coupon value was increased, effective Dec. 23, from 10 gallons to 11 because of the recent protracted spell of abnormally cold weather.

Sub-normal temperatures have prevailed in this section of the country more than a month. As a result, Mr. Henderson announced on Dec. 18 that third heating period coupons would be valid in these 13 States beginning Dec. 23 rather than during the first week in January. Studies of the temperature recordings finished since that time, and the assurance of the Petroleum Administrator for War that sufficient oil (20,000 barrels a day) would be made available in the 13 States to meet the increase in coupon value, are the basis for the action on Dec. 22.

Mr. Henderson emphasized however, that the fuel oil ration can be increased to offset cold weather only when supplies are available with which to honor the coupons.

"In the East," he said, "the weather has until recently been somewhat milder than usual. As a result, homeowners have not had to dip as deep into their limited supplies. Should the recent cold spell in the East be as protracted as it has been in the Middle West, consideration will be given to the use of Period 3 coupons in that area before the expiration of the second period, the first week in January. Again, however, I must repeat, the question as to whether that could be done depends entirely upon oil supplies."

The above decision to increase coupon values means that Class 1 coupons for Period 3 (those numbered "3") will be valued at 11 gallons in the 13 States. Class 1 coupons, which are issued generally to homeowners, have had a value of 10 gallons up to the present. Likewise, Class 2 coupons, used by apartment houses, office buildings, and other larger consumers, are increased 10%, their value for Period 3 being fixed at 110 gallons as against the current value of 100 gallons.

Roosevelt Thanks Egyptian Ruler For Gift To Forces

The State Department announced on Dec. 12 that King Farouk I of Egypt has made a Christmas gift of 2,000 Egyptian pounds (approximately $8,000) to the American forces in Egypt. President Roosevelt, the State Department said (according to the Associated Press) has sent the following message in response:

"The American Minister at Cairo has informed me of Your Majesty's generous gift to the American forces in Egypt on the occasion of the approaching holiday season.

"In expressing my personal appreciation of Your Majesty's generosity, I express also the gratitude of the American people for this gracious contribution to the happiness of the men of the American armed forces in Your Majesty's hospitable country.

"I wish to take this opportunity to extend my best wishes for the personal happiness of Your Majesty and for the well-being of the people of Egypt."

Federal Reserve November Business Indexes

The Board of Governors of the Federal Reserve System issued on Dec. 21 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for November, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES

1935-39 average = 100 for industrial production and freight-car loadings;
1939=100 for factory employment and payrolls;
1923-25 average = 100 for all other series

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
	Nov. 1942	Oct. 1942	Nov. 1941	Nov. 1942	Oct. 1942	Nov. 1941
Industrial production—						
Total	†191	†189	167	†192	†193	167
Manufactures—						
Total	†202	†200	173	†202	†204	173
Durable	†275	†271	209	†275	†273	209
Nondurable	†144	†143	144	†143	†147	144
Minerals	†130	126	131	†133	135	135
Construction contracts, value—						
Total	†180	185	138	†158	175	122
Residential	†83	83	74	†79	80	71
All other	†259	269	189	†223	253	163
Factory employment—						
Total	‡	‡	‡	*	155.3	138.4
Durable goods	‡	‡	‡	*	198.1	164.2
Nondurable goods	‡	‡	‡	*	121.6	118.1
Factory payrolls—						
Total	‡	‡	‡	*	260.9	185.0
Durable goods	‡	‡	‡	*	350.2	228.0
Nondurable goods	‡	‡	‡	*	173.6	143.0
Freight-car loadings	134	133	135	140	150	141
Department store sales, value	†135	128	116	†154	137	133
Department store stocks, value	‡	†115	95	‡	†128	110

*Revised data for these groups back to 1939 will appear in January Bulletin. †Preliminary or estimated. ‡Data not yet available.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
	Nov. 1942	Oct. 1942	Nov. 1941	Nov. 1942	Oct. 1942	Nov. 1941
Manufactures—						
Steel	224	229	207	224	229	207
Open hearth and Bessemer	182	186	177	182	186	177
Electric	527	536	420	527	536	420
Machinery	†320	†314	230	†320	†314	230
Transportation equipment	†514	†501	276	†514	†501	276
Non-ferrous metals & products	†197	191	190	†197	191	190
Lumber and products	†128	†124	135	†127	†134	134
Lumber	†125	123	128	†120	131	124
Furniture	†134	†126	148	†140	†138	154
Stone, clay, & glass products	*	147	162	*	163	169
Cement	*	174	164	*	202	171
Polished plate glass	34	32	105	39	37	120
Textiles and products	†156	156	156	†156	156	156
Cotton consumption	171	172	167	171	172	167
Rayon deliveries	177	174	179	177	174	179
Wool textiles	*	157	166	*	157	166
Leather products	†126	116	134	†107	117	123
Tanning	*	121	134	*	121	135
Cattle hide leathers	*	143	145	*	144	151
Calf and kip leathers	*	100	108	*	96	102
Goat and kid leathers	*	81	123	*	81	119
Shoes	†129	112	134	†111	114	116
Manufactured food products	†144	†147	141	†142	†158	139
Wheat flour	115	108	103	119	118	107
Meat packing	†145	145	135	†164	146	152
Other manufactured foods	†148	†153	144	†149	†171	146
Tobacco products	*	145	132	*	149	134
Cigars	*	116	115	*	140	137
Cigarettes	*	172	149	*	169	143
Manufactured tobacco & snuff	*	102	106	*	104	105
Paper and products	*	134	153	*	139	152
Paperboard	137	128	167	137	136	167
Newsprint production	*	107	110	*	107	113
Printing and publishing	†120	116	136	†122	120	138
Newsprint consumption	110	102	111	115	109	117
Petroleum and coal products	*	121	135	*	123	136
Petroleum refining	*	115	133	*	117	134
Gasoline	†109	108	134	†110	111	135
Fuel oil	*	136	129	*	137	130
Lubricating oil	*	113	137	*	113	137
Kerosene	*	112	123	*	112	126
Coke	†165	166	153	†165	166	153
Byproduct	†156	155	145	†156	155	145
Beehive	†489	524	‡433	†489	524	‡433
Chemicals	†179	†177	149	†181	†181	151
Minerals—						
Fuels	†128	123	129	†130	127	131
Bituminous coal	†133	130	127	†152	145	145
Anthracite	†121	110	101	†124	117	103
Crude petroleum	†126	122	132	†123	121	128
Metals	†141	142	147	†151	180	161
Iron ore	210	‡218	‡202	229	334	231

FREIGHT-CAR LOADINGS
(1935-39 average = 100)

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
	Nov. 1942	Oct. 1942	Nov. 1941	Nov. 1942	Oct. 1942	Nov. 1941
Coal	125	121	121	139	138	135
Coke	176	180	159	186	180	168
Grain	126	130	118	123	139	115
Livestock	114	110	93	144	169	117
Forest products	140	149	146	138	158	143
Ore	221	221	204	206	260	199
Miscellaneous	144	144	144	150	163	150
Merchandise, l.c.l.	58	56	99	59	58	101

*Data not yet available. †Preliminary or estimated. ‡Revised.

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Engineering Construction For Week Lowest Weekly Volume For The Year

Engineering construction volume for the short week due to the early closing for the Christmas Holiday totals $33,377,000. This is the lowest weekly volume reported during 1942. It compares with $75,539,000 recorded for the full preceding week, and is 34% below the total for the corresponding short week in 1941, according to "Engineering News-Record" on Dec. 24, which added:

Federal work is 8% below the week last year, and this decline coupled with the 91% drop in State and municipal work, brings public construction 26% under its last year's mark. Private work, accounting for $513,000 in the current week, is 91% below a year ago.

Engineering construction volume for 1942 to date, $9,229,534,000, is 57% above the total for the 52 weeks of 1941. Private volume for the 1942 52-week period, $552,838,000, is 53% below last year, but public construction, $8,676,696,000, is 85% higher than a year ago as a result of the 133% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

	Dec. 25, 1941 (4 days)	Dec. 17, 1942 (5 days)	Dec. 24, 1942 (4 days)
Total Construction	$50,170,000	$75,539,000	$33,377,000
Private Construction	5,983,000	3,085,000	513,000
Public Construction	44,187,000	72,454,000	32,864,000
State and Municipal	9,169,000	2,668,000	813,000
Federal	35,018,000	69,786,000	32,051,000

In the classified construction groups gains over the corresponding 1941 week are in waterworks and unclassified construction. Unclassified construction is the only class of work to gain over the preceding week. Subtotals for the week in each class of construction are: waterworks, $1,104,000; sewerage, $589,000; industrial buildings, $40,000; commercial buildings, $473,000; public buildings, $13,303,000; streets and roads, $1,942,000; and unclassified, $15,926,000. No contracts are reported this week for bridges, or earthwork and drainage.

New capital for construcion purposes for the week totals $5,062,000, entirely State and municipal bond sales. The current week's new financing compares with $1,570,404 reported for the week last year.

New construction financing for the year to date, $10,219,111,000, is 29% higher than the $7,895,121,000 reported for the year 1941.

Cotton Ginned From Crop Of '42 Prior To Dec. 13

The Census report issued on Dec. 21, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1942 prior to Dec. 13, 1942, and comparative statistics to the corresponding date in 1941 and 1940 (running bales, counting round as half bales and excluding linters):

State—	1942	1941	1940
United States	*11,742,798	*9,914,549	*11,430,454
Alabama	888,735	771,870	737,720
Arizona	95,759	120,250	117,823
Arkansas	1,360,532	1,366,575	1,330,620
California	246,146	262,094	495,116
Florida	14,519	14,796	17,885
Georgia	845,854	631,702	979,559
Illinois	3,796	5,445	3,092
Kentucky	14,319	16,927	9,892
Louisiana	571,477	309,646	445,583
Mississippi	1,874,006	1,384,289	1,150,139
Missouri	382,715	466,556	337,004
New Mexico	86,477	72,528	99,204
North Carolina	694,310	563,572	717,469
Oklahoma	635,481	615,644	673,749
South Carolina	686,859	402,719	928,200
Tennessee	578,280	569,929	434,173
Texas	2,738,528	2,316,504	2,933,289
Virginia	25,005	23,503	19,937

*Includes 48,626 bales of the crop of 1942 ginned prior to Aug. 1 which was counted in the supply for the season of 1941-42, compared with 1,969 and 32,187 bales of the crops of 1941 and 1940.

The statistics in this report include no round bales for 1942; 863 for 1941 and 3,433 for 1940. Included in the above are 45,179 bales of American-Egyptian for 1942; 42,284 for 1941 and 23,560 for 1940; also 749 bales Sea-Island for 1942; 3,289 for 1941 and 4,567 for 1940.

The statistics for 1942 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Dec. 1 is 11,539,654 bales.

Consumption, Stocks, Imports, and Exports—United States

Cotton consumed during the month of November, 1942, amounted to 913,038 bales. Cotton on hand in consuming establishments on Nov. 30, was 2,440,684 bales, and in public storages and at compresses 13,637,120 bales. The number of active consuming cotton spindles for the month was 22,948,248.

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

World Statistics

Because of war conditions and the difficulties in obtaining dependable world statistics such data are being omitted from this report for the time being.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
1942—Week Ended—					
Sept. 5	129,486	124,580	218,539	78	87
Sept. 12	106,933	101,891	222,636	65	86
Sept. 19	138,477	132,212	228,355	81	86
Sept. 26	129,503	131,173	224,926	78	86
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86
Oct. 17	152,644	134,197	261,871	79	85
Oct. 24	150,133	136,249	275,139	81	85
Oct. 31	138,423	138,262	272,006	84	85
Nov 7	157,919	138,492	291,780	84	85
Nov. 14	147,815	137,355	301,088	83	85
Nov. 21	146,335	133,188	310,439	83	85
Nov. 28	136,655	124,461	321,885	77	85
Dec 5	150,132	130,761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85
Dec. 19	136,363	134,383	350,012	85	85

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

General Crop Report, December, 1942, Of The U. S. Department Of Agriculture

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 18 its report of crop acreage, production and yield per acre of crops as of Dec. 1. The report in part follows:

Crop and Unit—	Acreage Harvested (in thousands) Average 1930-39	1941	1942	Production (in thousands) Average 1930-39	1941	1942
Corn, all (bu.)	98,049	86,186	89,484	2,307,452	2,677,517	3,175,154
Wheat, all (bu.)	55,743	55,642	49,464	745,575	943,127	981,327
Winter (bu.)	39,160	29,485	35,666	570,001	670,709	703,253
All spring (bu.)	16,583	16,157	13,798	175,574	272,418	278,074
Durum (bu.)	2,767	2,524	2,109	27,297	41,653	44,660
Other spring (bu.)	13,816	13,633	11,689	148,277	230,765	233,414
Oats (bu.)	36,653	37,965	37,899	1,016,061	1,180,663	1,358,730
Barley (bu.)	10,732	14,220	16,782	226,460	362,082	426,150
Rye (bu.)	3,298	3,570	3,837	37,870	45,364	57,341
Buckwheat (bu.)	459	337	378	7,365	6,038	6,687
Flaxseed (bu.)	1,780	3,275	4,402	11,252	32,285	40,660
Rice (bu.)	943	1,214	1,477	45,712	51,323	66,363
Popcorn (lbs.)	*71	94	93	*86,853	121,823	153,275
All sorghums for grain (bu.)	4,083	5,982	5,896	52,747	111,784	107,245
All sorghums for forage (tons)†	7,208	10,276	7,880	8,803	16,572	13,603
All sorghums for silage (tons)‡	530	1,358	1,035	2,459	8,774	6,881
Cotton, lint (bales)	31,223	22,236	22,660	13,246	10,744	12,982
Cottonseed (tons)	------	------	------	5,890	4,788	5,790
Hay, all (tons)	67,893	71,776	72,744	78,733	94,238	105,328
Hay, all tame (tons)	56,102	59,317	60,211	69,650	82,736	92,245
Hay, wild (tons)	11,791	12,459	12,533	9,083	11,502	13,083
Alfalfa seed (bu.)	616	804	624	1,101	1,049	974
Red clover seed (bu.)	922	1,383	1,149	1,057	1,469	1,082
Alsike clover seed (bu.)	151	117	87	314	313	256
Sweet clover seed (bu.)	313	346	249	887	787	725
Lespedeza seed (lbs.)	361	839	848	65,786	178,700	179,700
Timothy seed (bu.)	487	375	435	1,755	1,274	1,624
Beans, dry edible (bags)§	1,724	2,023	1,970	13,510	18,503	19,608
Peas, dry field (bu.)	234	276	474	2,471	3,700	7,160
Soybeans for beans (bu.)	2,103	5,881	10,762	36,385	105,587	209,559
Cowpeas for peas (bu.)	1,194	1,476	1,273	6,411	8,063	7,067
Peanuts picked & threshed (lbs.)	1,504	1,914	3,690	1,067,438	1,476,845	2,504,440
Velvetbeans¶ (tons)	1,910	2,165	1,884	771	929	750
Potatoes (bu.)	3,296	2,711	2,711	370,045	355,602	371,150
Sweet potatoes (bu.)	882	746	707	73,208	62,144	65,380
Tobacco (lbs.)	1,676	1,308	1,380	1,398,796	1,262,885	1,417,188
Sorgo syrup (gals.)	267	176	220	15,397	10,568	13,674
Sugarcane for sugar and seed (tons)	258	269	329	4,728	5,471	6,487
Sugarcane syrup (gals.)	135	116	119	20,774	18,764	18,610
Sugar beets (tons)	815	754	979	9,284	10,311	11,927
Maple sugar (lbs.)	**11,830	**9,785	**9,812	1,066	387	654
Maple syrup (gals.)	**11,830	**9,785	**9,812	2,671	1,997	2,905
Broomcorn (tons)	319	250	214	41	46	35
Hops (lbs.)	30	35	35	††34,655	40,380	34,896
Apples, commercial crop‡ (bu.)‡‡	------	------	------	††§§123,832	††122,256	††127,655
Peaches, total (bu.)	------	------	------	††54,706	††74,364	††65,345
Pears, total (bu.)	------	------	------	††27,253	††29,530	††31,212
Grapes, total ¶¶ (tons)	------	------	------	††2,246	2,728	2,532
Cherries (12 States)	------	------	------	††141	††161	††200
Plums (2 States) (tons)	------	------	------	††70	††78	††77
Prunes, used fresh (3 States) (tons)	------	------	------	47	45	51
Prunes, canned (2 States) (tons)	------	------	------	21	39	30
Prunes, dried (3 States) (tons)	------	------	------	232	185	181
Oranges (5 States) (boxes)	------	------	------	60,179	84,534	84,144
Grapefruit (4 States) (boxes)	------	------	------	24,383	40,294	45,533
Lemons (Calif.) (boxes)	------	------	------	8,815	11,753	13,650
Cranberries (5 States) (bbls.)	------	------	------	604	725	787
Pecans (12 States) (lbs.)	------	------	------	81,166	121,488	78,100
Commercial truck crops	2,935	3,339	3,627	------	------	------
For market (23 crops)	1,709	1,696	1,682	------	------	------
For processing (11 crops)	1,226	1,643	1,945	------	------	------
Total, 52 crops***	334,887	334,131	339,848	------	------	------

*Short-time average. †Dry weight. ‡Green weight. §Bags of 100 pounds (uncleaned.. ¶All purposes. **1,000 trees tapped. ††Includes some quantities not harvested. ‡‡For some States in certain years, production includes some quantities unharvested on account of market conditions. §§Short-time average. ¶¶Production includes all grapes for fresh fruit, juice, wine and raisins. ***Excluding crops not harvested, minor crops, duplicated seed acreages, strawberries and other fruits.

NOTE—The 10 year averages shown in this summary are revised on the basis of the 1940 Census of Agriculture, except for corn, hay, potatoes, and sweetpotatoes.

Crop and Unit—	Yield per Acre Average 1930-39	1941	1942
Corn, all (bushels)	23.5	31.1	35.5
Wheat, all (bushels)	13.3	16.9	19.8
Winter (bushels)	14.4	17.0	19.7
All spring (bushels)	10.4	16.9	20.2
Durum (bushels)	9.3	16.5	21.2
Other spring bushels)	10.6	16.9	20.0
Oats (bushels)	27.4	31.1	35.9
Barley (bushels)	20.7	25.5	25.4
Rye (bushels)	11.1	12.7	14.9
Buckwheat (bushels)	16.1	17.9	17.7
Flaxseed (bushels)	6.4	9.9	9.2
Rice (bushels)	48.4	42.3	44.9
Popcorn (pounds)	*1,242	1,290	1,640
All sorghums for grain (bu.)	12.6	18.7	18.2
All sorghums for forage (tons)†	1.22	1.61	1.73
All sorghums for silage (tons)‡	4.91	6.46	6.65
Cotton, lint (pounds)	205.4	231.9	275.1
Hay, all (tons)	1.16	1.31	1.45
Hay, all tame, (tons)	1.24	1.39	1.53
Hay, wild (tons)	.76	.92	1.04
Alfalfa seed (bushels)	1.82	1.30	1.56
Red clover seed (bushels)	1.17	1.06	.94
Alsike clover seed (bushels)	2.12	2.68	2.94
Sweetclover seed (pounds)	2.96	2.28	2.91
Lespedeza seed (pounds)	163.8	213.0	212.0
Timothy seed (bushels)	3.34	3.39	3.73
Beans, dry edible (pounds)	789	915	995
Peas, dry field (pounds)	1,060	1,341	1,510
Soybeans for beans (bushels)	16.1	18.0	19.5
Cowpeas for peas (bushels)	5.4	5.5	5.6
Peanuts picked and threshed (pounds)	708	772	679
Velvetbeans§ (pounds)	806	858	796
Potatoes (bushels)	112.6	131.2	136.9
Sweet potatoes (bushels)	83.0	83.3	92.4
Tobacco (pounds)	834	965	1,027
Sorgo syrup (gallons)	57.1	60.0	62.2
Sugarcane for sugar and seed (tons)	18.0	19.0	19.7
Sugarcane syrup (gallons)	153.5	161.8	156.4
Sugar beets (tons)	11.4	13.7	12.2
Maple sugar and syrup (pounds)	¶1.89	¶1.67	¶2.44
Broomcorn (pounds)	256	370	330
Hops (pounds)	1,166	1,160	1,006

*Short-time average. †Dry weight. ‡Green weight. §All purposes. ¶Total equivalent sugar per tree.

(Continued on page 2340)

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Dec. 19 is estimated at 11,480,000 net tons, a decrease of 185,000 tons, or 1.6%, from the preceding week. Output in the corresponding week last year amounted to 11,163,000 tons. The production of soft coal, to date shows an increase of 12.9% over the same period in 1941.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Dec. 19 was estimated at 1,119,000 tons, an increase of 18,000 tons (1.6%) over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 25,000 tons, or 2.3%. The calendar year to date shows a gain of 6.5%.

The U. S. Bureau of Mines also reports that the estimated production of byproduct coke in the United States for the week ended Dec. 19 showed an increase of 1,300 tons when compared with the output for the week ended Dec. 12. The quantity of coke from beehive ovens decreased 8,500 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
In Net Tons (000 omitted)

Bituminous and lignite coal—	Week Ended Dec. 19, 1942	*Dec. 12, 1942	Dec. 20, 1941	January 1 to Date †Dec. 19, 1942	Dec. 20, 1941	Dec. 18, 1937
Total, incl. mine fuel	11,480	11,655	11,163	560,453	496,517	432,950
Daily average	1,913	1,944	1,861	1,891	1,681	1,465

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

Penn. anthracite—	Week Ended §Dec. 19, 1942	Dec. 12, 1942	Dec. 20, 1941	Calendar Year to Date Dec. 19, 1942	Dec. 20, 1941	Dec. 21, 1929
*Total, incl. colliery fuel	1,119,000	1,101,000	1,094,000	58,448,000	54,858,000	72,015,000
†Commercial production	1,074,000	1,057,000	1,039,000	55,651,000	52,115,000	66,830,000
Beehive coke—						
United States total	152,100	160,600	157,600	7,692,200	6,474,200	6,280,200
By-product coke—						
United States total	1,216,000	1,214,700	‡	60,002,100	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended Dec. 12, 1942	Dec. 5, 1942	Dec. 13, 1941	Dec. 14, 1940	Dec. 11, 1937	Dec. avge. ¶1923
Alaska	5	7	5	3	3	**
Alabama	383	390	375	336	309	349
Arkansas and Oklahoma	97	97	82	80	109	83
Colorado	191	182	173	180	204	253
Georgia and North Carolina	1	1	1	2	1	**
Illinois	1,335	1,300	1,273	1,300	1,525	1,535
Indiana	516	525	529	488	532	514
Iowa	62	60	78	83	105	121
Kansas and Missouri	193	176	163	163	207	159
Kentucky—Eastern	942	920	794	761	898	584
Kentucky—Western	305	282	256	194	329	204
Maryland	29	32	39	36	36	37
Michigan	8	8	9	8	19	21
Montana (bituminous and lignite)	111	116	89	73	72	64
New Mexico	39	37	31	27	33	56
North and South Dakota (lignite)	86	89	76	71	75	**27
Ohio	705	662	691	481	631	599
Pennsylvania (bituminous)	2,695	2,365	2,892	2,533	2,089	2,818
Tennessee	144	140	140	128	136	103
Texas (bituminous and lignite)	9	10	5	9	18	21
Utah	126	118	101	102	93	100
Virginia	395	365	364	312	295	193
Washington	50	53	45	40	37	57
*West Virginia—Southern	2,174	2,114	2,177	1,819	1,719	1,132
†West Virginia—Northern	863	850	848	667	723	692
Wyoming	201	194	158	150	148	173
‡Other Western States	††	2	††	1	††	**5
Total bituminous and lignite	11,665	11,115	11,394	10,047	10,346	9,900
§Pennsylvania anthracite	1,101	1,101	863	1,259	1,130	1,806
Total all coal	12,766	12,216	12,257	11,306	11,476	11,706

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G., and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, Idaho, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Non-Ferrous Metals—Zinc Dust Under Full Allocation—Price of Indium Reduced by 20%

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 24, stated:

"With price changes in non-ferrous metals few and far between, a revision in the quotation for indium, a mere byproduct, attracted interest last week. The price was lowered from $12.50 a troy ounce to $10. Zinc dust was placed under full allocation by WPB, effective Jan. 1. Allocation certificates began to move on Dec. 22, which brought in the usual rush of orders for January's needs of copper consumers." The publication further went on to say in part:

Copper

Word in January allocations came through on Dec. 22, which was reflected immediately in rather large bookings by producers. War demands for copper as the year draws to a close are enormous, and will probably be larger in 1943. The selling basis in the domestic market continues at 12c., Valley. Foreign copper is being absorbed at unchanged prices.

A program to assure an adequate supply of copper chemicals for all essential agricultural needs during 1943 was discussed at the initial meeting of the Copper Fungicide Manufacturers Industry Advisory Committee of the Chemicals Division, WPB, held in Washington Dec. 17. Steps are being taken, it was announced after the meeting, to encourage use of lower-grade copper scrap in the production of copper sulphate.

Lead

The monthly meeting of the lead group that was held in Washington on Dec. 22 was described as "highly satisfactory." New supplies and demand appear to be virtually in balance, and the supply outlook presents no cause for worry. Domestic consumption is estimated at between 60,000 and 65,000 tons monthly by trade authorities. Quotations held at 6.50c., New York, and 6.35c., East St. Louis.

In a report covering the activities of the Reconstruction Finance Corp. and its subsidiaries, Jesse Jones reveals that in connection with the war and up to Oct. 31, 1942, contracts have been made for the importation of refined lead from four foreign countries, and of ore and concentrate from seven countries, at a cost of $107,497,000. Of this amount $47,511,000 has been disbursed for deliveries.

Zinc

Zinc dust will be placed under full allocation by WPB after Jan. 1, 1943, it was announced in Washington Dec. 22. Control of the product is contained in General Preference Order M-11-1.

Interest in zinc continues to center in the zinc concentrate situation. Larger tonnages will be needed in 1943. The quotation for Prime Western zinc remains at 8¼c., East St. Louis.

Indium

Effective Dec. 22, one of the leading producers of indium lowered the price $2.50 per troy ounce, establishing the market at $10. The previous quotation of $12.50 per ounce went into effect early in December, 1940. Indium is finding increased use in some products, chiefly bearings, but output can be raised appreciably should market conditions call for larger supplies.

Tin

The Metals Reserve Co., R.F.C. subsidiary, has brought into the country under its tin program, initiated during 1940, a total of slightly more than 100,000 tons of the metal in the form of metallic tin or as tin contained in concentrate, according to an official statement by Jesse Jones, published last week.

Quotations for tin remained unchanged last week. Straits quality tin for forward shipment was nominally as follows:

	Dec.	Jan.	Feb.
Dec. 17	52.000	52.000	52.000
Dec. 18	52.000	52.000	52.000
Dec. 19	52.000	52.000	52.000
Dec. 21	52.000	52.000	52.000
Dec. 22	52.000	52.000	52.000
Dec. 23	52.000	52.000	52.000

Chinese tin, 99% grade, spot or nearby delivery, 51.125c. all week.

Quicksilver

Quicksilver is being purchased from Mexico, Canada, and South American countries, as well as from domestic sources, according to the latest report of the Reconstruction Finance Corp. and subsidiaries. The Government's commitments as of Oct. 31, 1942, total $12,872,000, of which $7,521,000 has been disbursed.

The price situation in quicksilver in New York was unchanged last week. Quotations range from $196 to $198.

Silver

At the request of the War Production Board, and with the consent of the Secretary of the Treasury, the Metals Reserve Co. has agreed to buy 10,000,000 oz. of foreign silver at 45c. an ounce and make it available to industry under allocation of the War Production Board.

The silver market in London was unchanged last week at 23½d. The New York Official remained at 44¾c.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

US, Britain, Canada Form Joint Steel Comm.

Establishment of a combined steel committee by the United States, the United Kingdom and Canada to recommend a joint program for assuring adequate supplies for the 1943 war program was announced in Washington on Dec. 14. The committee will be headed by Hiland G. Batcheller, former president of the Alleghany Ludlum Steel Corp., and now Chief of the War Production Board's Iron and Steel Division. He will be assisted by a staff of American, British and Canadian experts.

Creation of the committee resulted from a recent United States steel mission to London which it is said "brought to light many differences in the production and use of steel in the United States and the United Kingdom, and reported that greater production could be obtained by pooling technical information, production methods and distribution methods."

According to the Associated Press, the committee has been instructed:

1. To obtain, assemble and coordinate information on iron ore and scrap, iron and steel production, and requirements of iron and steel of the United Nations in such form as will enable the supplies and requirements position to be kept continuously under review by the Combined Production and Resources Board and the Combined Raw Materials Board.
2. To consider and make recommendations on means of increasing production and improving efficiency of the use of steel and on use of distribution facilities in the United Nations, including exchange of technical information, information on trade practices and on measures of conservation.
3. To consider and make recommendations on unified systems of definitions and terminology.
4. To undertake such special inquiries as may be directed.
5. To recommend as necessary any action which should be taken to adjust supplies and requirements.

In addition to Mr. Batcheller, who is acting for the Combined Production and Resources Board, members of the steel committee include the following: Geoffrey Crowther,(United Kingdom) Combined Production and Resources Board; M. O. Heller, (United States) Office of Program, Vice Chairman, War Production Board; Major E. W. Senior, (United Kingdom) British Ministry of Production; Douglas Campbell, (United Kingdom) Combined Raw Materials Board; Paul Homan, (United States) Combined Raw Materials Board, and D. B. Collyer (Canada) Canadian Department of Munitions and Supply.

Lumber Movement—Week Ended Dec. 19, 1942

According to the National Lumber Manufacturers Association, lumber shipments of 426 mills reporting to the National Lumber Trade Barometer exceeded production by 12.3% for the week ended Dec. 19, 1942. In the same week new orders of these mills were 13.0% greater than production. Unfilled order files in the reporting mills amounted to 77% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 48 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 12.9%; orders by 18.2%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 31.3% greater; shipments were 52.0% greater, and orders were 31.4% greater.

General Crop Report, December, 1942, Of The U. S. Department Of Agriculture

(Continued from page 2339)

Acreage and Production of Crops—1942

The final checkup of acreages harvested and yields obtained has now confirmed earlier predictions of a 1942 harvest far above any in the past. Although estimates of a number of crops have been reduced by new information on acreages harvested and by allowances for losses from frost, storms and harvesting difficulties, the total volume of crops produced is expected to be 14% larger than production last year and nearly 12% larger than in 1937, the banner year of the past. The totals for the various groups of crops show a well-balanced harvest that includes record crops of food grains, feed grains, hay and forage, oil seeds, beans and peas, fruits and commercial vegetables. Sugar and sirup crops are only a little below the top record, and cotton, tobacco and potatoes show about average production. The list of individual crops showing definitely less than average production is significantly short, for it includes few sweet potatoes, wild pecans, certain hay crop seeds, broomcorn and melons. With some local exceptions, such shortages of important crops as may now exist are attributed more to the unprecedented wartime demand, or to interrupted transportation, than to light production.

Although the acreage in crops was increased about 2% this year, the exceptionally high level of production comes primarily from increased crop yields per acre. These yields average 36% higher than yields during the fairly typical "predrought" decade of 1923-32, and 14 and 12% higher than the yield averages of 1940 and 1941, each of which topped previous peaks by about 1%. The outstandingly high yields of 1942 were made possible by a combination of unusually favorable weather, progressive improvement of plant materials and equipment and technique on the farms, and a wartime demand that called for maximum effort and insured a market for practically everything that farmers could produce. Furthermore the record production of feed and forage crops this season results, in part, from the demand created by the presence of record numbers of cattle, hogs, sheep and poultry on the farms, accumulated as a result of six favorable crop years in succession. The record production of feed and foreage, in turn, gives assurance that the currently heavy production of livestock and livestock products will continue at close to record levels for some time, if weather conditions permit.

A review of statistics on the individual crops gives the impression that unusually favorable weather explains about half of the 36% increase of crop yields over the pre-drought level. Reports on the "condition" of various crops at harvest time, which serve as a measure of weather influences and related factors such as insect pests and diseases, this year showed conditions averaging 19% better than during the pre-drought period and nearly 10% better than in 1941. Pastures, although heavily stocked, also responded to the well distributed rainfall and mild temperatures, and their condition during the season from May 1 to Oct. 1 averaged 14% better than in the pre-drought period and better than in any season since 1919. Growing conditions were above average in nearly all States, but were especially good in the Great Plains area. In this area, crops and ranges were benefitted by the subsoil moisture remaining from the exceptionally heavy rainfall of 1941 and were helped along by the above-normal rainfall of 1942. The heavier-than-average rainfall of this year also should assure a good start for grass and grain in 1943. Although conditions in 1942 were favorable for nearly all crops and in nearly all States, the factors affecting individual crops carry varying implications regarding future production.

The big yield of wheat, averaging 19.8 bushels per acre, or three bushels more than in any previous year, in a small part was made possible by the increased use of rust-resistant varieties, but the major factor appears to have been the adequate and in some respects exceptional moisture supply of 1941 and 1942 in the area from North Dakota and Montana southward to Texas and New Mexico.

In some "marginal" areas, the wheat crop was worth more than the land on which it was grown. The total crop from the 50 million acres harvested was 981 million bushels, a quantity exceeded only in 1915. The corn crop, estimated at 3,175 million bushels, is being harvested from less than 90 million acres; it is 100 million bushels larger than the 1920 crop, the next largest produced. The 1942 yield of 35.5 bushels is equal to almost a ton of shelled corn per acre; it is 3.8 bushels larger than the yield in any previous year and 50% above the 1930-39 average. Yields in central Corn Belt States, ranging up to 61.5 bushels per acre in Iowa this year, were of course dependent on favorable weather, but State averages as high as 50 bushels were unknown until the recent adoption of hybrid seed corn which promises much for the future. In the northern Plains States, corn yields in 1942 appear very high when compared with averages for recent years, but they were not significantly above yields obtained in favorable seasons 20 years or more ago.

Oats is less extensively grown than in "horse and buggy days," but because of the near-record yield of 35.9 bushels per acre shows a production of 1,359 million bushels, which is more than in any other year since 1925. With the wheat acreage limited and moisture conditions favorable, the acreage sown in barley this year was increased materially. As a result of the increased acreage and a favorable season, production increased to 426 million bushels which is 18% above 1941 production and 30% above production in any previous season. Adding to these crops the record crop of rice, large crops of rye and grain sorghums and a fair crop of buckwheat, total grain production was nearly 157 million tons, or about 12 million tons more than ever before.

Hay crop production exceeded 105 million tons for the first time. The hay crop, together with the large crop of sorghum forage will provide the huge total of 120 million tons of roughage. Even allowing for liberal feeding, there should be a large carryover supply of hay in mows and stacks next Spring. Cotton, grown on restricted acreage because of the large supply on hand, was well cultivated and well fertilized and, with conditions favorable in all States, the average yield was 275 pounds per acre, which slightly exceeds previous records. The expected production of nearly 13 million bales will be about an average crop even though the acreage was 23% less than the 1931-40 average and the second lowest since 1895. Tobacco, also grown on a restricted acreage, was set closely and well fertilized. Tobacco yield was the second highest yield on record, resulting in production of about 1,417 million pounds, about the average crop.

Total production of principal hay seeds is somewhat less than in any of the last five years, but larger than in years previous to 1938. There is an abundance of timothy seed and a good supply of lespedeza. Production of alfalfa and clover seeds was less than during the last few years. However, allowing for quantities carried over, supplies appear adequate to meet prospective 1943 domestic and export requirements, except for northern-grown alfalfa.

Fruit production appears at least nominally the largest on record, but production has been high with only small yearly changes during the last five years. Allowing for oranges and other citrus fruits still to be picked, the 1942 crops of all major fruits appear above the 10-year average, with the exception of prunes and apricots.

Commercial vegetable production in 1942 was much higher than in previous years. Acreage in principal crops for canning and processing was increased 18% over the unusually high acreage grown in 1941. Production increased 13% to establish new records for the principal canning vegetables, including corn, tomatoes, peas, string beans and lima beans. Production of kraut and canned beets were reduced by restrictions on cans and production of cucumber pickles was restricted by labor problems. The aggregate acreage of vegetables grown for shipment to market was from 1 to 6% less than in any of the last eight years, but production was about 4% higher than in any previous season. New high production records were established for carrots, celery, lettuce, onions and tomatoes, but both the cantaloup and watermelon crops were among the smallest in a dozen years or more.

Note—The estimates for all crops for 1941 and 1942 have been revised on the basis of the 1940 Census of Agriculture. Similar revisions have been made also for the period, 1939-39, excepting corn, hay, potatoes and sweet potatoes. In the following discussions of individual crops, the term "average" relates to the 10-year period, 1930 to 1939, inclusive.

Corn—The 1942 corn crop set an all-time high for total production, amounting to 3,175,154,000 bushels—105 million larger than the previous record of 3,070,604,000 bushels set in 1920. Production in 1942 was 19% above the 2,677,517,000 bushels produced in 1941 and about 38% above the average of 2,307,452,000 bushels. These estimates relate to corn harvested for all purposes—grain, silage, forage, hogging and grazing. Production of corn for grain totaled 2,884,744,000 bushels, or about 91% of the total crop, compared with 2,435,307,000 bushels in 1941.

The bumper 1942 crop was harvested from only 89,484,000 acres. Although this acreage was the largest harvested since 1938, it was approximately 8½ million acres below average. The estimated planted acreage in 1942 was 91,011,000 acres, about 45% of which was planted with hybrid seed. In the Corn Belt, about 75% of the corn acreage was in hybrids.

The 1942 yield per harvested acre of 35.5 bushels exceeds the record 1906 yield of 31.7 bushels. Record-breaking yields were produced in Iowa, Indiana, Ohio, Illinois, Michigan and Wisconsin. Yields were well above average in most States.

The size of the 1942 corn crop is remarkable in view of the adverse conditions affecting the crop during the season. In many important northern sections, planting was delayed from one week to as much as three weeks and continued rains during June delayed cultivation, resulting in fields being more weedy than usual by the time corn was "laid by." An early June drought cut prospects in the South Central States but beneficial rains in late June brought relief. Spotted damage resulted in other sections from blight, corn borers, floods and light drought in other sections. In late September freezing temperatures stopped plant growth at least a week earlier than usual, resulting in considerable soft corn and a reduction in quality of silage and forage in parts of the extreme Northern States. Before these freezing temperatures came, however, corn made excellent progress and was not far behind schedule. Dry weather following the freeze was ideal for drying out the crop. Harvest started slowly and was further delayed by wet weather in November, but a large part of the crop had been cribbed by Dec. 1.

Acreage harvested for silage in 1942 was 3,912,000 acres, compared with 4,091,000 acres in 1942. Silage production for 1942 was estimated at 33,927,000 tons, compared with 34,119,000 tons produced last year.

Wheat—Wheat production in 1942 was 981,327,000 bushels, 4% larger than last year's crop of 943,127,000 bushels. Although the second largest crop on record, it was produced on a harvested acreage 11% less than average. The harvested acreage of 49,464,000 acres is 11% less than the 55,642,000 acres harvested last year. The yield of 19.8 bushels per acre sets a new yield record, and compares with 16.9 last year, which then was the highest on record. This phenomenal combination of moderate acreage and near-record production resulted from the widespread, unusually favorable climatic conditions extending from winter wheat planting time in the fall of 1941 clear through the 1942 harvest. Exceptions to the optimum conditions were a wet harvest season in the North Central soft red winter wheat States from Missouri eastward through Pennsylvania, and relatively heavy greenbug damage in Oklahoma and Texas.

Winter Wheat production was 703,253,000 bushels, harvested from 35,666,000 acres at the record harvested yield of 19.7 bushels per acre. The 1941 crop was 670,709,000 bushels harvested from 39,485,000 acres, at a yield of 17 bushels per acre. There was ample moisture at seeding time last fall to bring the crop up to a good stand—even too much to permit planting the full intended acreage in some North Central and Southwestern States. Because of the heavy fall rains, a large acreage of volunteer wheat appeared in the Southwest, where considerable shattered and lodged wheat went down at harvesting time last summer. The volunteer acreage actually harvested and the production from it is included in the estimates. Greenbugs took toll from the yields in localized areas in Oklahoma, Texas and Kansas. The season was very unfavorable in Missouri and Illinois, with heavy winter loss of acreage and low yields because of wet weather at harvest. Loss at harvest was also suffered in Indiana, Ohio and Pennsylvania. Such adverse conditions were less prevalent than usual, and were outweighed by bumper crop conditions over the greater part of winter wheat producing territory. There was practically no damage from rust in spite of the heavy straw and relatively high humidity. The abandonment and diversion to hay and pasture was unusually low, amounting to 7% of the planted acreage, compared with 13.5% last year.

All-Spring Wheat—In the principal spring wheat States the spring opened with ample soil moisture and the growing season was favored by moderate temperature and timely rains. Yield prospects increased progressively as the season advanced, as one hazard after another was eliminated. Of equal importance was the prolonged favorable harvest season that kept harvesting losses low, in spite of heavy straw.

Durum Wheat production of 44,660,000 bushels was the highest since 1930. The harvested acreage was less than half what it was then, but the yield of 21.2 bushels per acre set a new high mark. Last year's production was 41,653,000 bushels, on 2,524,000 harvested acres, at a yield of 16.5 bushels per acre. The durum wheat yield of 21.2 bushels per acre is one of the outstanding records of the season, particularly the 22-bushel yield in North Dakota.

Other Spring Wheat production is estimated at 233,414,000 bushels, a little over last year's 230,765,000-bushel crop. The yield of 20 bushels per acre was record breaking. The previous record of 16.9 bushels was made last year and the average is 10.6 bushels. The acreage was 11,689,000 acres, a considerable reduction from 13,633,000 acres harvested last year, and the 13,816,000-acre average. Last year's yields and average yields both were exceeded in all principal spring wheat States except Idaho. Abandonment was very low in most States.

Oats—The Nation's harvest of oats in 1942 is 1,358,730,000 bushels. This is 15% above last year's production of 1,180,663,000 bushels, 34% above the average of 1,016,061,000 bushels and the highest production since 1925. Ample moisture and moderate temperatures in most States were favorable for high yields. Only because of these high yields was production sufficient to maintain the oat- rations for the increased livestock numbers now on farms. This year's yield at 35.9 bushels per acre is the highest since 1915. It is 4.8 bushels above a year ago, largely because of exceptional yields in the heavy producing regions extending from eastern South Dakota to and including Michigan and Northwestern Illinois. This year's yield per acre is 31% above the average of 27.4 bushels, and only four States—Texas, Oklahoma, Georgia and South Carolina—have yields below average.

The 1942 harvested acreage was slightly less than last year's, but 3% above the average. Minor changes occurred by States in the North Central Region under the impact of the war. The acreage harvested in Texas was about one-third of average because of insect damage.

Barley—Production of barley in 1942 was 426,150,000 bushels—a new high mark. Unusually high yields harvested from the largest acreage on record resulted in a total crop which exceeded the bumber 1941 crop of 362,082,000 bushels (the previous record) by 18% and the average of 226,460,000 bushels by 88%.

The 1942 season was generally favorable for barley, although yields in most States except those along the northern border of the United States were below yields of 1941. Production in the Dakotas was the largest on record. There was considerable delay in harvesting the crop in the Northern Plains States, and quality was damaged by rust, scab and wet weather. Yields were much below those of 1941 in Iowa, Nebraska and Kansas, where a combination of adverse factors resulted in lowering yields in an otherwise favorable season for small grains. Yields were well above average in Minnesota and California. The acreage of barley harvested in 1942 amounted to 16,782,000 acres compared with 14,220,000 acres harvested in 1941.

Rye—Production of 57,341,000 bushels of rye is a fourth more than the 45,364,000 bushels harvested in 1941 and a half more than the average of 37,870,000 bushels. The 1942 crop is the largest since 1924, when 58,445,000 bushels were produced. Acreage harvested for grain of 3,837,000 acres is 7.5% larger than in 1941 and 16% larger than the average of 3,298,000 acres. Because of the very favorable growing season, a larger than usual proportion of the total planted acreage was harvested for grain. The average yield per acre of 14.9 bushels is 2.2 bushels above the 1941 yield and 3.8 bushels above average. This yield was equaled in 1922, but never has been exceeded in the 77 years of record. Yields are higher than last year in the principal producing States of Wisconsin, Michigan, Minnesota, the Dakotas and Nebraska, and higher than average in every rye-producing State except Illinois.

Buckwheat—The buckwheat crop of 6,687,000 bushels is below average, but 11% above 1941. Higher prices encouraged planting a larger acreage in surplus States and there was some increase because of plantings on land too wet to plant the other intended crops. There was some loss of acreage because of wet fields at harvest time and some damage to late planted fields by the September freeze. For the crop that matured and was harvested, it was a very favorable year with the yield of 17.7 bushels per acre well above the 16.1 bushel average.

Tobacco—Tobacco production for 1942 of all types combined totaled 1,417,188,000 pounds, 12% more than in 1941 and 1% larger than average. There was a 6% increase from 1941 in acreage harvested and a 6% higher yield per acre. Acreage harvested was relatively small, 17.7% below the 1930-39 average, but the yield per acre of 1,027 pounds was above average and the second highest on record.

Production of flue-cured tobacco (824,115,000 pounds) was the fourth largest on record. This type was grown on 791,900 acres. The yield per acre of 1,041 pounds is 237 pounds above average and 16 pounds higher than the previous yield record set in 1940. Production of fire-cured tobacco was 72,831,000 pounds, compared with 70,182,000 pounds last year and the average of 125,844,000 pounds.

Burley production for 1942 (331,005,000 pounds) is 2% less than the 1941 crop of 337,792,000 pounds but slightly more than average. Acreage harvested increased about 3% from 1941 but yield per acre is estimated at about 4% less. Above average rainfall during August and September resulted in a comparatively low cured weight per plant.

The Southern Maryland tobacco crop amounted to 30,020,000 pounds. This was grown on 39,500 acres and represents a slight decrease from 1941 when 40,300 acres produced a crop of 30,225,000 pounds. The dark air-cured types produced a crop of 32,450,000 pounds, the third lowest on record. Acreage harvested was the same as the record low 1941 crop of 32,600 acres.

All cigar classes produced smaller crops this year. Total cigar tobacco production is estimated at 126,667,000 pounds, compared with 143,632,000 pounds in 1941 and the average of 123,059,000 pounds. Acreage harvested decreased 10% from last year, and the yield per acre was slightly lower.

Potatoes—Production of potatoes in 1942 totalled 371,150,000 bushels, well above the 1941 crop of 355,602,000 bushels, but below the 1940 production of 378,103,000 bushels. Unusually favorable growing conditions in the western potato States featured the 1942 potato season. With fair to good growing conditions in all other regions, the average U. S. yield of 136.9 bushels per acre set a new record. Potato yields averaged 131.2 bushels in 1941 and 132 bushels in 1940. The 1942 potato crop was harvested from 2,711,100 acres—approximately the same as 1941 but substantially below the average.

In the 10 western surplus States production in 1942 of 93,356,000 bushels was 12,000,000 bushels larger than in 1941. The 1942 acreage for these States was 432,800 acres and the yield 215.7 bushels, compared with 414,000 acres harvested in 1941 and a yield of 196 bushels per acre. Abundant water supplies in most of the western area during the growing season, plus generally favorable weather for maturing and harvesting the crop, were largely responsible for the excellent yields. Conditions were not so favorable in the three eastern surplus States where serious blight damage in New York and Pennsylvania and lack of rain in Maine reduced 1942 production to 87,109,000 bushels, compared with 92,161,000 bushels for 1941. In the five central surplus States early season vine growth was excellent, but heavy blight damage reduced yields. Production (66,763,000 bushels) was slightly less than the 67,221,000 bushels harvested in 1941.

For the 18 surplus late States, 1942 production was 247,228,000 bushels—about 3% above the 1941 production of 240,542,000 bushels. Production in the 12 other late States was 39,826,000 bushels in 1942. This was slightly larger than the 1941 crop of 38,204,000 bushels but was about the average for recent years.

Above-average yields in all these States has held production up despite rather general declines in acreage.

In the seven intermediate States, 1942 production was also slightly above that for 1941—30,765,000 bushels against 29,658,000 bushels—but was below average because of a material drop in acreage. The 1942 yield of 118.1 bushels per acre for this group compares with 114.6 bushels in 1941. In the early States acreage, yield and production in 1942 were all above 1941 and the 10-year average. Production of 53,331,000 bushels this year from 505,000 acres compares with 47,198,000 bushels from 495,600 acres in 1941. Except for a substantial decrease in Alabama and moderate decreases in Louisiana and Texas, production in all early States was larger than in 1941.

Sweet Potatoes—The 1942 sweet potato crop of 65,380,000 bushels was 5% larger than the 1941 crop of 62,114,000 bushels. Except for Alabama and Louisiana, growing conditions were unusually favorable in most commercial areas, especially in the important Atlantic seaboard States. The U. S. average yield of 92.4 bushels per acre was 9.1 bushels above 1941, and the highest since 1929. The 1942 production was harvested from only 707,400 acres, compared with 745,700 acres for 1941. Acreage reductions were general in all major sweet potato States except South Carolina and Mississippi. Production in the South Atlantic States totalled 29,400,000 bushels in 1942 compared with 24,104,000 in 1941. In the South Central States production dropped from 32,753,000 bushels in 1941 to 29,855,000 bushels in 1942.

Living Costs In Large Cities Advanced 0.7% Between Oct. 15-Nov. 15, Labor Bureau Reports

Living costs of city families rose 0.7% between Oct. 15 and Nov. 15, 1942, Secretary of Labor Perkins reported on Dec. 19.

"Most of the increase was due to the rise in food costs, particularly those not under OPA control, to higher charges for personal and professional services, and to the new excise taxes effective on Nov. 1," she said. "These taxes, on cigarettes, cigars, telephone calls and railroad fares, resulted in an increase of 0.1% out of the total increase of 0.7% in living costs."

The Labor Department's announcement further said:

"Since mid-May, when the General Maximum Price Regulation became effective, food costs have moved up 7.8% and costs of all other goods and services by 0.6%. Today, prices of almost everything important in family spending are controlled by Government regulations, with the exception of personal and professional services and of some fresh fruits and vegetables (constituting, with a few other foods, about 10% of the family food budget). Rent ceilings have been announced for all cities. About 12% of the family budget thus remains uncontrolled.

"The percentage changes from Oct. 15 to Nov. 15, 1942, were as follows:

All Items		+ 0.7
All foods		+ 1.2
Controlled by OPA on Nov. 17	+ 0.5	
*Under March ceilings	+ 0.2	
Ceiling adjustments permitted in October	+ 1.1	
Under price freeze of Oct. 5	+ 0.8	
Uncontrolled by OPA on Nov. 17	+ 6.6	
Clothing		+ 0.1
Rent		— 0.1
Fuel, electricity and ice		— 0
Housefurnishings		+ 0.1
Miscellaneous		+ 0.8

*Includes lamb prices, frozen on Aug. 1.

"By Nov. 15, the index of living costs for city wage earners and lower-salaried workers had risen to 119.8% of the 1935-39 average, and 21% above costs in August, 1939.

"**Food**—The average family food bill rose by 1.27% between mid-October and mid-November. Most of this increase was in prices of the fresh fruits and vegetables and fresh fish which are not under direct control by the Office of Price Administration. These advanced by an average of 6.6% and are now selling 21% higher than in May of this year. Food prices under direct control of the OPA advanced 0.5% over the month, as quotations moved up for a number of products whose prices have recently been adjusted under OPA regulations, such as lard, canned fruits and vegetables and canned fish. Prices also increased for eggs and butter, brought under OPA control on Oct. 5.

"All cities surveyed in the New England, Middle Atlantic, Mountain and Pacific areas reported increases in food costs, while three cities in the South showed decreases because of locally lower prices for fruits and vegetables. San Francisco showed the greatest increase (3.5%), while Savannah reported the largest decline (0.8%).

"The Bureau's index of retail food costs for Nov. 17 stood at 131.1% of the 1935-39 average, the highest point reached since January, 1930. The cost of food is now 16% higher than last year at this time and has gone up 40% since the outbreak of the war in Europe, when food prices were unusually low.

"**Clothing and Housefurnishings**—Cost of both clothing and housefurnishings rose, on the average, 0.1% over the month. A few seasonal clothing articles were marked down to sell out (women's coats in certain cities, for example), while for some goods increases were noted, where prices were returned to pre-sale levels. In 14 of the 21 cities, advances were reported in prices of men's business shirts.

"Prices of sheets advanced in several cities. There were continued reports of shortages of blankets.

"**Rent**—Only slight changes in rents occurred during this month in the cities surveyed by the Bureau of Labor Statistics. Houston was the only exception, and in that city the rental bill of moderate-income families dropped 1.1% between mid-October and mid-November, as a result of Federal control established on Nov. 1. In three other cities where rents were placed under Federal control on Nov. 1 rents remained unchanged between mid-October and mid-November. In Cincinnati, on the other hand, in spite of the imposition of Federal control on Nov 1, the average rental bill rose 0.2%. In Seattle, where Federal control has been in effect since June 1, rents continued to decline, dropping 0.2% this month.

"**Fuel Costs**—Higher wood prices in Manchester, and increased bituminous coal prices in several mid-West cities authorized by OPA, were the outstanding changes in fuel costs this month. In New York, the rate charged for gas for domestic use was advanced as usual at this season of the year.

"**Other Goods and Services**—Increases in the cost of miscellaneous goods and services, which averaged 0.8% over the month, were due in large part to the new excise taxes, imposed on Nov. 1 on cigars, cigarettes, telephone calls and railroad fares. In addition, there were advances in hospital and medical charges, and in beauty nad barber shop services in a number of cities. In a few cities, in spite of OPA controls, increases were reported for laundry and auto repair charges. These increases were in part counterbalanced by declines in automobile insurance rates, which were lowered because of the general decrease in driving."

60% Govt. Employees In War Production

President Roosevelt told his press conference on Dec. 8 that there is a widespread misconception of the situation regarding the 2,500,000 civilian employees of the Federal Government. The President said that statistics showed that of the total, more than 1,500,000, or over 60%, are engaged in actual production for the needs of war, adding that only 12% represents persons employed in Washington. Mr. Roosevelt further stated that, since the United States entered the war, there has been an increase of 80,000 workers in Washington, as against an increase of 920,000 Federal workers elsewhere. He went on to explain that the services of supply for the armed forces employ 890,000 persons, most of whom work in arsenals and construction projects and only 5% are in the national capital. Mr. Roosevelt added that the Army Air Forces employ 220,000 civilians and the Navy 518,000, of whom over 90% are engaged in shipyards and other naval manufacturing plants. To cite a few examples, the President pointed out that about 90% of the Garand rifles are being made by Government employees and that 75% of the battleships are being built in navy yards.

Sees Gloomy Outlook For 1943 With More Regulation—Surprises For New Taxpayers

The coming year of 1943, according to Brig. Gen. Leonard P. Ayres, "will probably be our toughest war year, both for individual business men and for corporations." Gen. Ayres, who is Vice-President of the Cleveland Trust Co. of Cleveland, Ohio, made this forecast in his annual address, on Dec. 15, before the Cleveland Chamber of Commerce. He further asserted that 1943 "will also be in all likelihood, the toughest war year for the men in our armed services." In his forecast Gen. Ayres likewise said:

"Industry must look forward to being much more closely regulated in 1943 than it has been heretofore. This will come about in part because the armed services will know more specifically what they want, and they will be more urgently insistent on having deliveries of munitions made in accordance with schedules. In even greater degree industry will be more closely regulated because the Controlled Materials Plan will be put into effect. Under its provisions manufacturing plants will no longer be able to buy their essential stocks of metals in the open market under the sanctions of priorities. They will instead receive the amounts of metals assigned to them under allocations originating in Washington, and they can have no more, and will be instructed to use no less."

As to prospects for 1943, Gen. Ayres ventured certain comments based on his personal opinion concerning possible developments next year, which we quote in part as follows:

"Despite recent good news from all the battlefronts it appears probable that we shall still be engaged in active warfare a year from now.

"The physical volume of industrial production, as measured by the index of the Federal Reserve Board, will probably be more than 10% greater in 1943 than it has been in 1942, but not more than 15% greater.

"National income, which will amount to about $112,000,000,000 in 1942, will probably be between 15 and 20% greater next year.

"Wholesale prices which rose 11% from 1940 to 1941, and 13% from 1941 to 1942, are likely to advance by about 4 to 6% from 1942 to 1943.

"The cost of living, which increased by 10% this year, may be expected to rise about 5 to 10% more next year. It may prove to be difficult to measure the increase because the consumption of many components will be regulated by rationing.

"The dollar volume of all retail store sales, as computed by the Department of Commerce, will probably decrease by not less than 10%, and by not more than 15%.

"Production of electric power will probably increase by as much as 8%, but not by more than 14%.

"Civilian employment of non-farm workers will increase in 1943, but it appears unlikely that the average numbers employed will be more than 3 to 5% greater than the averages of 1942."

Pointing out that "the readjustments which will have to be made by civilian individuals are already intruding into our accustomed ways of life," Gen. Ayres said:

"They will include many kinds of rationing, among which the restrictions in the use of gasoline will be foremost in importance. In 1943 some 50,000,000 individuals will be paying income taxes on their 1942 incomes, as compared with 17,000,000 who paid taxes on their 1941 incomes. Most of the newcomers now owe the Government tax debts about which they are only dimly aware, and for which many, and perhaps most of them, have made no provision. The existence and the size of those tax debts will come as painful surprises to great numbers of the new taxpayers."

Market Transactions In Govts. For Nov.

During the month of November no market transactions took place in direct and guaranteed securities of the Government for Trasury investment and other accounts, Secretary Morgenthau announced on Dec. 15.

In October there were net sales of $1,000,800.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—		
December	$1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or purchases	
April	$743,350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or purchases	
August	No sales or purchases	
September	$2,500	sold
October	200,000	sold
November	No sales or purchases	
December	$60,004,000	purchased
1942—		
January	$520,700	sold
February	29,980,000	purchased
March	5,814,450	purchased
April	300,000	purchased
May	16,625	purchased
June	250,000	sold
July	2,295,000	sold
August	8,446,000	sold
September	4,500,000	sold
October	1,000,800	sold
November	No sales or purchases	

Com. & Ind. Ass'n Names Committees

Neal Dow Becker, President of the Commerce and Industry Association of New York, announced on Dec. 12 the appointment of committees which will act in an advisory capacity to the Board of Directors of the Association throughout the coming year.

There are 34 standing committees, comprising in their membership approximately 425 leading New York City executives and professional men, virtually all of them specialists in the particular fields in which they will serve the Association. The special committees are nine in number with a membership of 110. The titles of these special groups, together with their chairmen, follow:

Committee on Establishment of a Post-Emergency Economic Advisory Commission, Thomas S. Holden.

Committee on Export Definitions, Gerald Le Vine.

Committee on Export Price Control, Gerald Le Vine.

Committee on Federal Sales Bill, Hiram Thomas.

Committee on Price Control, H. Boardman Spalding.

Priorities Committee, Herbert L. Carpenter.

Committee on Reemployment of Discharged Soldiers, Thomas F. Handy.

Committee on Reemployment of Men and Money, Louis K. Comstock.

Committee on Slum Redevelopment, Thomas S. Holden.

Gross And Net Earnings Of United States Railroads For The Month Of October

Gross and net earnings of the railroads of the United States for the month of October have exceeded the earnings reached in any month in any year in the history of the railroads. The efficiency of the managers in handling the tremendous task placed upon them to carry the vast amount of men and equipment is reflected in the ratio of expenses to earnings. In October of this year the ratio of earnings to expenses were 55.85%, which compares with 57.29% in September, 1942, and 69.84% in October, 1941.

Gross earnings of the railroads of the United States in October this year were $745,582,964 against $517,592,774 in October a year ago, a gain of $227,990,190, or 44.05%. Net earnings in October, 1942, were $329,157,843 against $156,128,608 in October, 1941, an increase of $173,029,235, or 110.83%. We now give in tabular form the results for the month of October, 1942, as compared with October, 1941:

			Incr. (+) or Decr. (—)	
Month of October—	1942	1941	Amount	%
Mileage of 132 roads	230,244	232,060	— 1.816	—00.78
Gross earnings	$745,582,964	$517,592,774	+$227,990,190	+44.05
Operating expenses	416,425,121	361,464,166	+ 54,960,955	+15.21
Ratio of expenses to earnings	(55.85%)	(69.84%)		
Net earnings	$329,157,843	$156,128,608	+$173,029,235	+110.83

We turn now to a consideration of the business factors underlying this advance in carrier and net earnings.

In order to indicate in simplified form the measure of trade activity in relation to its bearing on railroad revenues, we have brought together in the subjoined table the figures indicative of the activity in the more important industries, together with those pertaining to grain, livestock receipts and revenue freight loadings for the month of October, 1942, as compared with the same month of 1941, 1940, 1932 and 1929:

October—	1942	1941	1940	1932	1929
Building ($000):					
†Constr. contracts awarded	780,396	606,349	383,069	107,274	445,642
Coal (net tons):					
‡Bituminous	51,065,000	51,328,000	38,700,000	32,677,000	52,174,000
§Pennsylvania anthracite	5,101,000	5,580,000	4,355,000	5,234,000	8,026,000
Freight Traffic:					
¶Carloadings, all (cars)	z4,512,046	z4,553,007	z4,064,275	x2,536,029	x4,464,872
††Livestock receipts:					
Chicago (cars)	8,043	7,222	7,936	13,619	20,634
Kansas City (cars)	6,484	4,479	5,829	6,707	11,217
Omaha (cars)	4,092	3,179	3,381	6,115	8,702
‡‡Western flour and grain receipts:					
Flour (000 barrels)	z2,329	z1,944	z2,150	z2,179	z2,422
Wheat (000 bushels)	z49,869	z35,322	z20,859	z32,788	z41,578
Corn (000 bushels)	z31,322	z23,601	z40,856	z27,582	z20,171
Oats (000 bushels)	z13,940	z7,332	z4,770	z5,824	z16,309
Barley (000 bushels)	z17,381	z11,316	z8,510	z4,099	z5,799
Rye (000 bushels)	z4,802	z3,346	z1,952	z791	z3,578
Iron and Steel (net tons):					
§§Steel ingot production	7,584,864	7,242,683	6,644,542	1,233,957	5,154,063
Lumber (000 ft.):					
¶¶Production	z1,289,603	z7,236,068	z1,244,250	x500,707	x1,484,283
¶¶Shipments	z1,370,499	z1,426,389	x1,409,458	x614,453	x1,367,042
¶¶Orders received	z1,407,785	z1,281,550	z1,402,050	x539,018	x1,353,805

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

A glance at the statistics compiled in the tabulation for the month under review reveals the fact that though most of the items were moderately active in comparison with the corresponding period of last year, a few of them showed declines in volume of business. Construction contracts awarded in the 37 States east of the Rocky Mountains were $780,396,000, a $57,180,000 increase above the preceding month and $174,047,000, or 28.70% higher than in October, 1941. Pennsylvania anthracite coal production aggregated 5,101,000 net tons, and bituminous coal output was 51,065,000 net tons, representing decreases of 8.58% and 0.51% respectively. At the Western terminals flour and grain receipts all recorded increases over their 1941 figures. A combination of all these activities resulted in a decrease in freight car loadings of 40,961 cars for the five weeks of the month of October, but as evidenced by the increase of revenues, there were more full loads than in 1941.

Of the 132 railroads, there were 91 of them which were able to surpass their 1941 gross earnings for the month of October, while 81 roads were able to translate their gross earnings into net earnings of $100,000 or more.

Reviewing the roads individually, the Pennsylvania led in both gross and net listings with gains of $22,459,020 and $17,646,767. The Southern Pacific followed in the gross column with a gain of $17,793,947, while the Atchison, Topeka & Santa Fe placed second in the net classification with an increase of $13,559,580. The New York Central captured third place honors in both the gross and net categories with respective increases of $16,479,709 and $13,477,766. Other roads showing substantial gains were Union Pacific, Missouri Pacific, Baltimore & Ohio and Southern Ry. All of these were able to convert an amazing high percentage of their gross increases into the net column. There was only one road, the Virginian, which showed a major decrease in the gross, while no decreases were recorded in the net.

In the following tabulations we present the major variations of $100,000 or more, whether they be increases or decreases, in both gross and net listings for the separate road and systems.

PRINCIPAL CHANGES IN *GROSS* EARNINGS FOR THE MONTH OF OCTOBER

	Increase		Increase
Pennsylvania	$22,459,020	Duluth Missabe & Ir. Range	$932,422
Southern Pacific (2 roads)	17,793,947	Pere Marquette	870,754
New York Central	*16,479,709	Colo & Southern (2 roads)	853,169
Atchison Topeka & Santa Fe	15,876,837	Chicago & East Illinois	844,683
Union Pacific	15,847,105	Minn. St. Paul & S.S. Marie	836,350
Missouri Pacific	8,336,249	Delaware & Hudson	831,854
Baltimore & Ohio	7,342,065	Alabama Great Southern	770,518
Southern	6,484,212	Spokane Portland & Seattle	714,510
Chicago Burlington & Quincy	6,098,380	West Maryland	697,271
Illinois Central	6,061,910	Cin. N. Or. & Texas Pacific	627,346
Chicago Rock Isl. & Pacific	5,604,347	Louisville & Arkansas	540,398
Great Northern	5,258,555	New Orleans & Northeastern	500,463
Chicago Mil. St. Paul & Pac.	5,205,951	Chicago Great Western	418,573
N. Y. N. H. & Hartford	5,104,846	Chi. St. Paul Minn. & Omaha	388,209
Atlantic Coast Line	5,104,293	Minneapolis & St. Louis	355,395
Seaboard Air Line	4,515,809	Elgin Joliet & Eastern	355,177
Louisville & Nashville	4,413,901	Georgia	310,489
Northern Pacific	4,118,166	Maine Central	297,653
St. Louis-San Fran. (2 rds.)	3,653,185	Maine	286,237
Chicago & North Western	3,352,319	Georgia Southern & Florida	255,942
Missouri-Kansas-Texas	2,701,654	Wheeling & Lake Erie	255,654
Wabash	2,602,602	Illinois Terminal	255,424
Denver & Rio Grande West	2,585,409	Northwestern Pacific	240,265
N. Y. Chicago & St. Louis	2,533,571	Grand Trunk Western	198,371
Lehigh Valley	2,447,465	Penn. Reading SS Lines	179,713
Boston & Maine	2,100,624	Norfolk Southern	173,866
Chesapeake & Ohio	2,085,869	Atlanta Birmingham & Coast	164,696
St. Louis Southwestern	1,978,167	Western Ry. of Alabama	159,225
Texas & Pacific	1,954,980	Pittsburgh & Lake Erie	158,297
Long Island	1,884,619	Bessemer & Lake Erie	144,720
Erie	1,859,925	Atlantic & West Point	144,574
Western Pacific	1,783,570	Tennessee Central	141,286
Reading	1,567,539	Staten Island Rapid Transit	129,971
Nashville Chat. & St. Louis	1,502,346	Pittsburgh & West Virginia	123,775
Richmond Fred & Potomac	1,453,963	Toledo Peoria & Western	117,775
Yazoo & Mississippi Valley	1,379,176	Kansas Oklahoma & Gulf	112,154
Norfolk & Western	1,378,188	Spokane International	109,505
Alton	1,374,126	N. Y. Susquehanna & West.	106,717
Central of New Jersey	1,247,818	Gulf & Ship Island	105,481
Gulf Mobile & Ohio	1,238,947	Detroit & Mackinac	100,471
Kansas City Southern	1,229,306		
N. Or. Texas & Mex (3 rds)	1,172,767	Total (91 roads)	$228,165,078
Delaware Lack & Western	1,108,157		
Florida East Coast	1,075,923		Decrease
International Great Northern	1,005,371	Virginian	$187,012
Central of Georgia	992,837		

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $16,638,006.

PRINCIPAL CHANGES IN *NET* EARNINGS FOR THE MONTH OF OCTOBER

	Increase		Increase
Pennsylvania	$17,646,767	New Or. Tex. & Mex (3 rds)	$841,993
Atchison Topeka & Santa Fe	13,559,580	International Great Northern	765,986
New York Central	*13,477,766	Florida East Coast	736,335
Union Pacific	12,068,131	Duluth Missabe & Iron Range	725,655
Southern Pacific (2 roads)	11,191,059	Colorado & Southern (2 rds)	716,136
Missouri Pacific	6,175,314	Gulf Mobile & Onio	695,214
Baltimore & Ohio	5,325,531	Pere Marquette	694,522
Southern	4,889,562	Chicago Illinois Midland	686,137
Great Northern	4,789,047	Central of Georgia	684,511
Chicago Rock Isl & Pacific	4,766,108	Minneapolis St. P. & S. S. M.	659,605
Chicago Burlington & Quincy	4,731,000	Pittsburgh & Lake Erie	652,996
N. Y. New Haven & Hartford	4,299,061	Alabama Great Southern	510,072
Chi. Milwaukee St. P. & Pac.	4,133,803	Spokane Portland & Seattle	505,752
Atlantic Coast Line	3,987,108	Cincinnati N. Or. & T. Pac.	487,038
Seaboard Airline	3,553,712	Western Maryland	414,906
Illinois Central	3,530,001	Kansas City Southern	405,292
Northern Pacific	3,193,387	Grand Trunk Western	403,922
Louisville & Nashville	3,027,594	Delaware & Hudson	364,328
Chicago & North Western	2,768,803	Chi. St. Paul Minn. & Omaha	323,703
St. Louis San Fran. (2 roads)	2,382,464	New Orleans & Northeastern	318,153
Wabash	2,173,585	Long Island	299,966
Erie	1,911,982	Missouri Central	296,511
Lehigh Valley	1,905,927	Wheeling & Lake Erie	291,784
Chesapeake & Ohio	1,891,169	Minneapolis & St. Louis	252,808
Denver & Rio Grande West	1,877,776	Elgin Joliet & Eastern	235,939
N. Y. Chicago & St. Louis	1,853,329	Georgia Southern & Florida	224,715
Boston & Maine	1,639,575	Northwest Pacific	221,321
St. Louis Southwestern	1,415,451	Maine	217,667
Texas & Pacific	1,395,088	Chicago Great Western	204,140
Western Pacific	1,379,397	Georgia	202,240
Central of New Jersey	1,345,163	Louisiana & Arkansas	188,802
Missouri-Kansas-Texas	1,196,851	Illinois Terminal	181,790
Del. Lackawanna & Western	1,176,976	Bessemer & Lake Erie	181,762
Richmond Fred. & Potomac	1,101,341	Penn. Reading SS Lines	178,158
Norfolk & Western	1,066,291	Norflok Southern	126,290
Reading	1,035,533	Western Ry. of Alabama	119,674
Nash. Chat. & St. Louis	978,866	Staten Island Rapid Transit	112,025
Yazoo & Mississippi Valley	941,036		
Alton	895,686	Total (81 roads)	$171,804,673

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $14,130,762.

In order to indicate more clearly which sections of the country have been most active to the increased earnings, we now turn to our break-down of the nation as a whole. Arranging the roads in groups, or geographical divisions, according to their location, the generally favorable results recorded during the month under review are very clearly manifested. Every District into which the country is divided reported increases over a year earlier, in both categories. The forerunner of the districts was once again the Western District, which led in both gross and net increases, with gains of 56.21% and 130.81%. The Southern and Eastern Districts were close behind.

Turning our attention to the smaller sub-divisions, the regions, we notice that substantial increases were recorded in both categories over a year earlier by all eight regions. However, the Southwestern region attained the greatest increase in gross listing with a gain of 69.76%, while the Central Western and Southern followed with improvements of 63.97% and 55.55% respectively. In the net grouping the Central Western region led with a gain of 164.14% and was followed by the New England region with a 153.97% increase, and the Southwestern with a 132.05% gain.

For a detailed picture of the outlines presented above, we now present our summary tabulations of the 132 reporting roads. Our grouping conforms with the classification prescribed by the Interstate Commerce Commission. For the boundaries of the various subdivisions, districts and regions, consult the footnote subjoined to the following table:

SUMMARY OF GROUPS—MONTH OF OCTOBER

District and Region	Gross Earnings 1942	1941	Inc. (+) or Dec. (—)	
	$	$	$	%
Eastern District—				
New England region (10 roads)	26,402,889	18,457,218	+ 7,945,671	+43.05
Great Lakes region (23 roads)	120,245,161	90,902,789	+ 29,342,372	+32.28
Central Eastern region (18 roads)	147,181,847	110,608,242	+ 36,573,605	+33.06
Total (51 roads)	293,829,897	219,968,249	+ 73,861,648	+33.58
Southern District—				
Southern region (26 roads)	101,750,052	65,411,248	+ 36,338,804	+55.55
Pocahontas region (4 roads)	35,819,406	31,088,398	+ 4,731,008	+15.22
Total (30 roads)	137,569,458	96,499,646	+ 41,069,812	+42.56
Western District—				
Northwestern region (15 roads)	84,013,068	62,136,218	+ 21,876,850	+35.21
Central Western region (16 roads)	163,732,770	99,852,953	+ 63,879,817	+63.97
Southwestern region (20 roads)	66,437,771	39,135,708	+ 27,302,063	+69.76
Total (51 roads)	314,183,609	201,124,879	+113,058,730	+56.21
Total all districts (132 roads)	745,582,964	517,592,774	+227,990,190	+44.05

District and Region	Mileage 1942	1941	Net Earnings 1942	1941	Incr. (+) or Dec. (—)	
			$	$	$	%
Eastern District—						
New England region	6,635	6,689	10,699,564	4,213,002	+ 6,486,562	+153.97
Great Lakes region	25,991	26,030	47,269,647	22,540,601	+ 24,729,046	+109.71
Central East. region	24,191	24,393	59,100,107	30,996,727	+ 28,103,380	+ 90.67
Total	56,817	57,112	117,069,318	57,750,330	+ 59,318,988	+102.72
Southern District—						
Southern region	37,565	37,964	44,853,802	19,364,726	+ 25,489,076	+131.63
Pocahontas region	6,044	6,081	18,593,047	14,614,547	+ 3,978,500	+ 27.22
Total	43,609	44,045	63,446,849	33,979,273	+ 29,467,576	+ 86.72
Western District—						
Northwestern region	45,456	45,625	39,056,841	21,252,352	+ 17,804,489	+ 83.78
Central West. region	55,524	56,228	77,894,974	29,490,002	+ 48,404,972	+164.14
Southwestern region	28,838	29,050	31,689,861	13,656,651	+ 18,033,210	+132.05
Total	129,818	130,903	148,641,676	64,399,005	+ 84,242,671	+130.81
Total all districts	230,244	232,060	329,157,843	156,128,608	+173,029,235	+110.83

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

Collectively speaking, the October current-year grain movement over the Western roads was somewhat heavier than last year, with all grains contributing to the heavier movement. However, wheat's 49,869,000 bushels and corn's increase of 7,721,000 bushels were the chief contributing factors. Oats doubled its 1941 total of 3,356,000 bushels, while flour, rye and barley showed activity to some extent. We now present below our usual detailed table of the Western flour and grain movment.

WESTERN FLOUR AND GRAIN RECEIPTS

Five Weeks Ended October 31.

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	1,284	5,783	11,872	2,084	987	2,156
	1941	960	1,755	7,577	1,467	248	1,827
Minneapolis	1942	----	18,959	857	7,711	2,239	7,094
	1941	----	15,717	1,733	3,637	1,560	4,195
Duluth	1942	----	10,576	538	661	585	1,462
	1941	----	10,433	3,281	163	1,042	1,051
Milwaukee	1942	82	133	808	45	633	5,192
	1941	94	152	839	16	277	3,276
Toledo	1942	----	1,467	466	513	131	63
	1941	----	1,348	520	289	3	36
Indianapolis &	1942	----	2,156	4,430	1,262	11	3
Omaha	1941	----	1,014	3,886	750	20	2
St. Louis	1942	621	1,961	3,807	292	82	285
	1941	638	610	776	156	46	391
Peoria	1942	254	756	4,787	278	38	522
	1941	186	275	3,313	174	125	340
Kansas City	1942	88	5,571	2,501	480	----	----
	1941	66	2,704	858	208	----	----
St. Joseph	1942	----	613	500	293	----	----
	1941	----	156	309	357	----	----
Wichita	1942	----	1,183	----	----	----	----
	1941	----	922	----	----	----	2
Sioux City	1942	----	687	742	321	96	604
	1941	----	236	509	115	25	196
Detroit	1942	----	24	14	----	----	----
	1941	----	----	----	----	----	----
Total all	1942	2,329	49,869	31,322	13,940	4,802	17,381
	1941	1,944	35,322	23,601	7,332	3,346	11,316

WESTERN FLOUR AND GRAIN RECEIPTS

Ten Months Ended October 31.

(000 omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	9,731	18,253	80,623	17,587	3,208	13,010
	1941	8,450	19,005	79,861	18,038	4,090	11,291
Minneapolis	1942	----	110,273	14,915	40,223	12,019	48,246
	1941	86	126,804	11,357	24,851	16,900	41,148
Duluth	1942	----	45,313	10,973	1,825	1,936	4,786
	1941	21	59,217	17,655	1,634	4,593	9,283
Milwaukee	1942	680	1,618	8,706	555	1,444	26,109
	1941	783	4,113	9,115	788	1,499	22,471
Toledo	1942	283	11,566	5,086	3,973	1,166	235
	1941	----	13,080	2,234	4,977	36	93
Indianapolis &	1942	----	21,333	40,024	10,929	397	76
Omaha	1941	25	25,511	30,394	7,176	430	109
St. Louis	1942	5,572	17,541	21,850	3,482	1,000	2,185
	1941	5,625	15,484	11,365	2,807	314	1,775
Peoria	1942	1,867	3,565	37,468	2,091	602	3,342
	1941	1,736	3,508	28,584	2,288	844	3,268
Kansas City	1942	734	57,679	26,582	4,340	6	----
	1941	1,148	76,463	6,163	2,204	----	----
St. Joseph	1942	----	5,659	4,294	2,589	4	6
	1941	----	4,483	1,931	2,123	----	----
Wichita	1942	----	16,730	24	2	----	----
	1941	----	20,940	----	----	2	7
Sioux City	1942	----	3,413	4,611	1,696	414	2,528
	1941	----	2,904	2,771	851	322	1,614
Detroit	1942	----	157	125	----	15	7
	1941	----	----	----	----	----	----
Total all	1942	18,867	313,100	255,281	89,292	22,211	100,530
	1941	17,874	371,512	201,430	67,737	29,030	91,059

In the table which follows we furnish our customary summary of the October comparisons of the gross and net earnings of the railroads of the current year back to and including 1909:

Month of October	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$251,187,152	$225,109,822	+$26,077,330	+11.58	222,632	219,144
1910	256,585,392	253,922,867	+ 2,662,525	+ 1.05	232,162	228,050
1911	260,482,221	259,111,859	+ 1,370,362	+ 0.53	236,291	233,19
1912	293,738,091	258,473,408	+ 35,264,683	+13.64	237,217	233,545
1913	299,195,006	300,476,017	— 1,281,011	— 0.43	243,690	240,886
1914	269,325,262	298,066,118	— 28,740,856	— 9.64	244,917	241,093
1915	311,179,375	274,091,434	+ 37,087,941	+13.53	248,072	247,009
1916	345,790,899	310,740,113	+ 35,050,786	+11.28	246,683	246,000
1917	389,017,309	345,079,977	+ 43,937,332	+12.73	247,048	245,967
1918	484,824,750	377,867,933	+106,956,817	+28.31	230,184	230,576
1919	508,023,854	489,081,358	+ 18,942,496	+ 3.87	233,192	233,136
1920	633,852,568	503,281,630	+130,570,938	+25.94	231,439	229,935
1921	534,332,833	640,255,263	—105,922,430	—16.54	235,228	234,686
1922	545,759,206	532,684,914	+ 13,074,292	+ 2.45	233,872	232,882
1923	586,328,886	549,080,662	+ 37,248,224	+ 6.78	235,608	236,015
1924	571,405,130	586,540,887	— 15,135,757	— 2.58	235,189	235,625
1925	590,161,046	571,576,038	+ 18,585,008	+ 3.25	236,724	236,564
1926	604,052,017	586,008,436	+ 18,043,581	+ 3.08	236,654	236,898
1927	582,542,179	605,982,445	— 23,440,266	— 3.87	238,828	238,041
1928	616,710,737	579,954,887	+ 36,755,860	+ 6.34	240,661	239,602
1929	607,584,997	617,475,011	— 9,890,014	— 1.60	214,622	241,451
1930	482,712,524	608,281,555	—125,569,031	—20.64	242,578	241,555
1931	362,647,702	482,784,602	—120,136,900	—24.88	242,745	242,174
1932	298,076,110	362,551,904	— 64,475,794	—17.78	242,031	242,024
1933	297,690,747	298,084,387	— 393,640	— 0.13	240,858	242,177
1934	292,488,478	293,983,028	— 1,494,550	— 0.51	238,937	240,421
1935	340,591,477	292,495,988	— 48,095,489	+16.44	237,385	238,971
1936	390,826,705	340,612,829	+ 50,213,876	+14.74	236,554	237,575
1937	372,283,700	390,633,743	— 18,350,043	— 4.70	235,173	235,750
1938	352,880,489	372,283,700	— 19,403,211	— 5.21	234,242	235,161
1939	418,934,974	352,823,729	+ 66,111,245	+18.74	233,361	234,182
1940	412,774,363	418,934,974	— 6,160,611	— 1.47	232,632	233,369
1941	517,592,773	412,896,707	+104,696,066	+25.36	232,081	232,682
1942	745,582,964	517,592,774	+227,990,190	+44.05	229,144	232,066

Month of October	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$99,243,438	$85,452,483	+$13,790,955	+16.14
1910	91,451,609	102,430,704	— 11,029,095	—10.7
1911	93,836,492	91,725,725	+ 2,110,767	+ 2.30
1912	108,046,804	93,224,776	+ 14,822,028	+15.90
1913	97,700,506	110,811,359	— 13,110,853	—11.83
1914	87,660,694	95,674,714	— 8,014,020	— 8.38
1915	119,324,551	89,244,989	+ 30,079,562	+33.71
1916	130,861,148	119,063,024	+ 11,798,124	+ 9.91
1917	125,244,540	131,574,384	— 6,329,844	— 4.81
1918	107,088,318	122,581,905	— 15,493,587	—12.64
1919	104,003,198	106,196,863	— 2,193,665	— 2.07
1920	117,998,825	103,062,304	+ 14,936,521	+14.49
1921	137,928,640	115,397,560	+ 22,531,080	+19.52
1922	120,216,296	137,900,248	— 17,683,952	—12.82
1923	141,922,971	121,027,593	+ 20,895,378	+17.26
1924	168,750,421	142,540,585	+ 26,209,836	+18.39
1925	180,695,428	168,640,671	+ 12,054,757	+ 7.15
1926	193,990,813	180,629,394	+ 13,361,419	+ 7.40
1927	180,600,126	193,701,962	— 13,101,836	— 6.76
1928	216,522,015	181,084,281	+ 35,437,734	+19.57
1929	204,335,941	216,519,313	— 12,183,372	— 5.63
1930	157,115,953	204,416,346	— 47,300,393	—23.14
1931	101,919,028	157,141,555	— 55,222,527	—35.14
1932	98,336,295	101,914,716	— 3,578,421	— 3.51
1933	91,000,573	98,337,561	— 7,336,938	— 7.46
1934	80,423,303	89,641,103	— 9,217,800	—10.28
1935	108,551,920	81,039,275	+ 27,512,645	+33.95
1936	130,165,162	108,567,097	+ 21,598,065	+19.89
1937	102,560,563	130,196,850	— 27,636,287	—21.23
1938	110,996,728	102,560,563	+ 8,436,165	+ 8.23
1939	148,098,290	110,994,564	+ 37,103,726	+33.43
1940	136,866,261	148,098,290	— 11,232,029	— 7.58
1941	156,128,607	136,924,911	+ 19,203,696	+14.03
1942	329,157,843	156,128,608	+173,029,235	+110.83

Agricultural Department Report On Winter Wheat And Rye Acreage Sown For 1943 Crop

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 21, its report showing the acreage and condition of winter wheat and rye for the crop of 1943 as follows:

Winter Wheat—The acreage of winter wheat seeded for harvest in 1943 is 37,482,000 acres—2% less than in the fall of 1941, and 10,500,000 acres or 22% below average. A smaller acreage than in 1941 was seeded in Kansas, which annually has more than a quarter of all the winter wheat acreage, in the East North Central States, and in the Pacific Coast States. A slightly larger acreage was seeded in Nebraska and Texas. In Missouri an increase of 380,000 acres or 45% reflects a return toward usual wheat acreage from a relatively small acreage seeded in the fall of 1941 due to adverse seeding conditions. The 6% decrease in Kansas differs only slightly from actual seedings in 1941, since a considerable acreage of volunteer wheat was harvested in 1942 and is included in the 1941 "seedings." This is true also to a lesser degree in other States of the Great Plains. Included in the acreage is some not yet seeded and some intended primarily for pasture and hay.

In most sections wheat was seeded and has progressed under favorable conditions this fall. The soil moisture situation was less favorable in some areas, being too abundant in Pennsylvania and deficient in parts of Illinois, Washington and Oregon. This interfered with seeding and retarded growth, but conditions improved later. In the Southwest, conditions were nearly ideal for seeding and have been favorable for growth. Reported condition approximated or exceeded average in practically all States; it also was higher than on Dec. 1, 1941 in an important area embracing Illinois, Iowa, Missouri, Kansas, Oklahoma and Texas, and in California and in most of the Southeastern States. The condition is equal to or lower than a year ago in the remaining States. A favorable Dec. 1 condition is usually associated with a low loss of acreage between seeding and harvest. Abandonment of the 1943 crop is indicated at 6.7%, compared with 7.0 in 1942 and the average of 19.7%.

Production in 1943 is indicated at 624,504,000 bushels by factors measurable in the fall, such as reported condition and rainfall, and temperature to date, related to yields in past years. This would be about 11% less than the very large 1942 crop, but nearly 11% above average production. The indicated yield is 16.7 bushels per seeded acre, compared with 18.3 bushels in 1942 and the average of 11.8 bushels per seeded acre.

Rye—The acreage of rye seeded in the fall of 1942 is estimated at 5,933,000 acres, which is 8.2% below the 6,465,000 acres seeded in the fall of 1941, and 1.4% below the 10-year (1930-39) average of 6,017,000 acres. The acreage as estimated includes that intended for soil improvement purposes, pasture and hay, as well as for grain, and an allowance for spring seeding in those States growing spring rye. Decreases were general in all of the important rye producing States of the North Central area. In Minnesota, the decrease was 31%; in North Dakota, 24%; in South Dakota, 20%; and in Nebraska, 4%. In contrast, increases occurred in most of the South Atlantic and South Central States, where over half of the acreage is used for purposes other than grain.

The decreased acreage in the North Central States is the result of several factors, among which the most important were heavy rainfall at the usual seeding period, and the late harvest of spring crops caused by the prolonged wet weather.

The Dec. 1 condition of rye is indicated to be 86% of normal, one point below the condition a year ago, but eleven points above the 10-year (1930-39) average. Condition is below last year in the important producing States of North and South Dakota, Nebraska, Wisconsin and Michigan, principally due to the delay in seeding caused by the same weather and labor situation affecting acreage.

Pay On Cuban 5½s

Republic of Cuba, through Roberto Hernandez, Counsel General of Cuba in New York City, has notified holders of its external loan 30-year sinking fund 5½% gold bonds issued under loan contract dated Jan. 26, 1923, that $900,000 principal amount of the bonds have been drawn by lot for redemption on Jan. 15, 1943, out of moneys in the sinking fund, at 100% of their par value and accrued interest to the redemption date. The bonds drawn for redemption will be paid at the office of the fiscal agents, J. P. Morgan & Co. Inc., on or after Jan. 15, 1943, after which date interest on the drawn bonds will cease.

On Dec. 10, 1942, $253,100 principal amount of these bonds previously drawn for redemption had not been presented for payment.

Sees Gloomy Outlook For 1943 With More Regulation—Surprises For New Taxpayers

The coming year of 1943, according to Brig. Gen. Leonard P. Ayres, "will probably be our toughest war year, both for individual business men and for corporations." Gen. Ayres, who is Vice-President of the Cleveland Trust Co. of Cleveland, Ohio, made this forecast in his annual address, on Dec. 15, before the Cleveland Chamber of Commerce. He further asserted that 1943 "will also be in all likelihood, the toughest war year for the men in our armed services." In his forecast Gen. Ayres likewise said:

"Industry must look forward to being much more closely regulated in 1943 than it has been heretofore. This will come about in part because the armed services will know more specifically what they want, and they will be more urgently insistent on having deliveries of munitions made in accordance with schedules. In even greater degree industry will be more closely regulated because the Controlled Materials Plan will be put into effect. Under its provisions manufacturing plants will no longer be able to buy their essential stocks of metals in the open market under the sanctions of priorities. They will instead receive the amounts of metals assigned to them under allocations originating in Washington, and they can have no more, and will be instructed to use no less."

As to prospects for 1943, Gen. Ayres ventured certain comments based on his personal opinion concerning possible developments next year, which we quote in part as follows:

"Despite recent good news from all the battlefronts it appears probable that we shall still be engaged in active warfare a year from now.

"The physical volume of industrial production, as measured by the index of the Federal Reserve Board, will probably be more than 10% greater in 1943 than it has been in 1942, but not more than 15% greater.

"National income, which will amount to about $112,000,000,000 in 1942, will probably be between 15 and 20% greater next year.

"Wholesale prices which rose 11% from 1940 to 1941, and 13% from 1941 to 1942, are likely to advance by about 4 to 6% from 1942 to 1943.

"The cost of living, which increased by 10% this year, may be expected to rise about 5 to 10% more next year. It may prove to be difficult to measure the increase because the consumption of many components will be regulated by rationing.

"The dollar volume of all retail store sales, as computed by the Department of Commerce, will probably decrease by not less than 10%, and by not more than 15%.

"Production of electric power will probably increase by as much as 8%, but not by more than 14%.

"Civilian employment of nonfarm workers will increase in 1943, but it appears unlikely that the average numbers employed will be more than 3 to 5% greater than the averages of 1942."

Pointing out that "the readjustments which will have to be made by civilian individuals are already intruding into our accustomed ways of life," Gen. Ayres said:

"They will include many kinds of rationing, among which the restrictions in the use of gasoline will be foremost in importance. In 1943 some 50,000,000 individuals will be paying income taxes on their 1942 incomes, as compared with 17,000,000 who paid taxes on their 1941 incomes. Most of the newcomers now owe the Government tax debts about which they are only dimly aware, and for which many, and perhaps most of them, have made no provision. The existence and the size of those tax debts will come as painful surprises to great numbers of the new taxpayers."

Market Transactions In Govts. For Nov.

During the month of November no market transactions took place in direct and guaranteed securities of the Government for Trasury investment and other accounts, Secretary Morgenthau announced on Dec. 15.

In October there were net sales of $1,000,800.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—		
December	$1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743,350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold
November	No sales or	purchases
December	$60,004,000	purchased
1942—		
January	$520,700	sold
February	29,980,000	purchased
March	5,814,450	purchased
April	300,000	purchased
May	16,625	purchased
June	250,000	sold
July	2,295,000	sold
August	8,446,000	sold
September	4,500,000	sold
October	1,000,800	sold
November	No sales or	purchases

Com. & Ind. Ass'n Names Committees

Neal Dow Becker, President of the Commerce and Industry Association of New York, announced on Dec. 12 the appointment of committees which will act in an advisory capacity to the Board of Directors of the Association throughout the coming year.

There are 34 standing committees, comprising in their membership approximately 425 leading New York City executives and professional men, virtually all of them specialists in the particular fields in which they will serve the Association. The special committees are nine in number with a membership of 110. The titles of these special groups, together with their chairmen, follow:

Committee on Establishment of a Post-Emergency Economic Advisory Commission, Thomas S. Holden.

Committee on Export Definitions, Gerald Le Vine.

Committee on Export Price Control, Gerald Le Vine.

Committee on Federal Sales Bill, Hiram Thomas.

Committee on Price Control, H. Boardman Spalding.

Priorities Committee, Herbert L. Carpenter.

Committee on Reemployment of Discharged Soldiers, Thomas F. Handy.

Committee on Reemployment of Men and Money, Louis K. Comstock.

Committee on Slum Redevelopment, Thomas S. Holden.

Gross And Net Earnings Of United States Railroads For The Month Of October

Gross and net earnings of the railroads of the United States for the month of October have exceeded the earnings reached in any month in any year in the history of the railroads. The efficiency of the managers in handling the tremendous task placed upon them to carry the vast amount of men and equipment is reflected in the ratio of expenses to earnings. In October of this year the ratio of earnings to expenses were 55.85%, which compares with 57.29% in September, 1942, and 69.84% in October, 1941.

Gross earnings of the railroads of the United States in October this year were $745,582,964 against $517,592,774 in October a year ago, a gain of $227,990,190, or 44.05%. Net earnings in October, 1942, were $329,157,843 against $156,128,608 in October, 1941, an increase of $173,029,235, or 110.83%. We now give in tabular form the results for the month of October, 1942, as compared with October, 1941:

Month of October—	1942	1941	Incr. (+) or Decr. (—) Amount	%
Mileage of 132 roads	230,244	232,060	— 1.816	—00.78
Gross earnings	$745,582,964	$517,592,774	+$227,990,190	+44.05
Operating expenses	416,425,121	361,464,166	+ 54,960,955	+15.21
Ratio of expenses to earnings	(55.85%)	(69.84%)		
Net earnings	$329,157,843	$156,128,608	+$173,029,235	+110.83

We turn now to a consideration of the business factors underlying this advance in carrier and net earnings.

In order to indicate in simplified form the measure of trade activity in relation to its bearing on railroad revenues, we have brought together in the subjoined table the figures indicative of the activity in the more important industries, together with those pertaining to grain, livestock receipts and revenue freight loadings for the month of October, 1942, as compared with the same month of 1941, 1940, 1932 and 1929:

October—	1942	1941	1940	1932	1929
Building ($000):					
†Constr. contracts awarded	780,396	606,349	383,069	107,274	445,642
Coal (net tons):					
‡Bituminous	51,065,000	51,328,000	38,700,000	32,677,000	52,174,000
§Pennsylvania anthracite	5,101,000	5,580,000	4,355,000	5,234,000	8,026,000
Freight Traffic:					
¶Carloadings, all (cars)	z4,512,046	z4,553,007	z4,064,275	x2,536,029	x4,464,872
††Livestock receipts:					
Chicago (cars)	8,043	7,222	7,936	13,619	20,634
Kansas City (cars)	6,484	4,479	5,829	6,707	11,217
Omaha (cars)	4,092	3,179	3,381	6,115	8,702
‡‡Western flour and grain receipts:					
Flour (000 barrels)	z2,329	z1,944	z2,150	z2,179	z2,422
Wheat (000 bushels)	z49,869	z35,322	z20,859	z32,788	z41,578
Corn (000 bushels)	z31,322	z23,601	z40,856	z27,582	z20,171
Oats (000 bushels)	z13,940	z7,332	z4,770	z5,824	z16,309
Barley (000 bushels)	z17,381	z11,316	z8,510	z4,099	z5,799
Rye (000 bushels)	z4,802	z3,346	z1,952	z791	z3,578
Iron and Steel (net tons):					
§§Steel ingot production	7,584,864	7,242,683	6,644,542	1,233,957	5,154,063
Lumber (000 ft.):					
¶¶Production	z1,289,603	z7,236,068	z1,244,250	x500,707	x1,484,283
¶¶Shipments	z1,370,499	z1,426,389	x1,409,458	x614,453	x1,367,042
¶¶Orders received	z1,407,785	z1,281,550	z1,402,050	x539,018	x1,353,805

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

A glance at the statistics compiled in the tabulation for the month under review reveals the fact that though most of the items were moderately active in comparison with the corresponding period of last year, a few of them showed declines in volume of business. Construction contracts awarded in the 37 States east of the Rocky Mountains were $780,396,000, a $57,180,000 increase above the preceding month and $174,047,000, or 28.70% higher than in October, 1941. Pennsylvania anthracite coal production aggregated 5,101,000 net tons, and bituminous coal output was 51,065,000 net tons, representing decreases of 8.58% and 0.51% respectively. At the Western terminals flour and grain receipts all recorded increases over their 1941 figures. A combination of all these activities resulted in a decrease in freight car loadings of 40,961 cars for the five weeks of the month of October, but as evidenced by the increase of revenues, there were more full loads than in 1941.

Of the 132 railroads, there were 91 of them which were able to surpass their 1941 gross earnings for the month of October, while 81 roads were able to translate their gross earnings into net earnings of $100,000 or more.

Reviewing the roads individually, the Pennsylvania led in both gross and net listings with gains of $22,459,020 and $17,646,767. The Southern Pacific followed in the gross column with a gain of $17,793,947, while the Atchison, Topeka & Santa Fe placed second in the net classification with an increase of $13,559,580. The New York Central captured third place honors in both the gross and net categories with respective increases of $16,479,709 and $13,477,766. Other roads showing substantial gains were Union Pacific, Missouri Pacific, Baltimore & Ohio and Southern Ry. All of these were able to convert an amazing high percentage of their gross increases into the net column. There was only one road, the Virginian, which showed a major decrease in the gross, while no decreases were recorded in the net.

In the following tabulations we present the major variations of $100,000 or more, whether they be increases or decreases, in both gross and net listings for the separate road and systems.

PRINCIPAL CHANGES IN *GROSS* EARNINGS FOR THE MONTH OF OCTOBER

	Increase		Increase
Pennsylvania	$22,459,020	Duluth Missabe & Ir. Range	$932,422
Southern Pacific (2 roads)	17,793,947	Pere Marquette	870,754
New York Central	*16,479,709	Colo & Southern (2 roads)	853,169
Atchison Topeka & Santa Fe	15,876,837	Chicago & East Illinois	844,683
Union Pacific	15,847,105	Minn. St. Paul & S.S. Marie	836,350
Missouri Pacific	8,336,249	Delaware & Hudson	831,854
Baltimore & Ohio	7,342,065	Alabama Great Southern	770,518
Southern	6,484,212	Spokane Portland & Seattle	714,510
Chicago Burlington & Quincy	6,098,380	West Maryland	697,271
Illinois Central	6,061,910	Cin. N. Or. & Texas Pacific	627,346
Chicago Rock Isl. & Pacific	5,604,347	Louisville & Arkansas	540,398
Great Northern	5,258,555	New Orleans & Northeastern	500,463
Chicago Mil. St. Paul & Pac.	5,205,951	Chicago Great Western	418,573
N. Y. N. H. & Hartford	5,104,846	Chi. St. Paul Minn. & Omaha	388,209
Atlantic Coast Line	5,104,293	Minneapolis & St. Louis	355,395
Seaboard Air Line	4,515,809	Elgin Joliet & Eastern	355,177
Louisville & Nashville	4,413,901	Georgia	310,489
Northern Pacific	4,118,166	Maine Central	297,653
St. Louis-San Fran. (2 rds.)	3,653,185	Maine	286,237
Chicago & North Western	3,352,319	Georgia Southern & Florida	255,942
Missouri-Kansas-Texas	2,701,654	Wheeling & Lake Erie	255,654
Wabash	2,602,602	Illinois Terminal	255,424
Denver & Rio Grande West	2,585,409	Northwestern Pacific	240,265
N. Y. Chicago & St. Louis	2,533,571	Grand Trunk Western	198,371
Lehigh Valley	2,447,465	Penn. Reading SS Lines	179,713
Boston & Maine	2,100,624	Norfolk Southern	173,866
Chesapeake & Ohio	2,085,869	Atlanta Birmingham & Coast	164,696
St. Louis Southwestern	1,978,167	Western Ry. of Alabama	159,225
Texas & Pacific	1,954,980	Pittsburgh & Lake Erie	158,297
Long Island	1,884,619	Bessemer & Lake Erie	144,720
Erie	1,859,925	Atlantic & West Point	144,574
Western Pacific	1,783,570	Tennessee Central	141,286
Reading	1,567,539	Staten Island Rapid Transit	129,971
Nashville Chat. & St. Louis	1,502,346	Pittsburgh & West Virginia	123,775
Richmond Fred & Potomac	1,453,963	Toledo Peoria & Western	117,775
Yazoo & Mississippi Valley	1,379,176	Kansas Oklahoma & Gulf	112,154
Norfolk & Western	1,378,188	Spokane International	109,505
Alton	1,374,126	N. Y. Susquehanna & West.	106,717
Central of New Jersey	1,247,818	Gulf & Ship Island	105,481
Gulf Mobile & Ohio	1,238,947	Detroit & Mackinac	100,471
Kansas City Southern	1,229,306		
N. Or. Texas & Mex (3 rds)	1,172,767	Total (91 roads)	$228,165,078
Delaware Lack & Western	1,108,157		
Florida East Coast	1,075,923		Decrease
International Great Northern	1,005,371	Virginian	$187,012
Central of Georgia	992,837		

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $16,638,006.

PRINCIPAL CHANGES IN *NET* EARNINGS FOR THE MONTH OF OCTOBER

	Increase		Increase
Pennsylvania	$17,646,767	New Or. Tex. & Mex (3 rds)	$841,993
Atchison Topeka & Santa Fe	13,559,580	International Great Northern	765,986
New York Central	*13,477,766	Florida East Coast	736,335
Union Pacific	12,068,131	Duluth Missabe & Iron Range	725,655
Southern Pacific (2 roads)	11,191,059	Colorado & Southern (2 rds)	716,136
Missouri Pacific	6,175,314	Gulf Mobile & Ohio	695,214
Baltimore & Ohio	5,325,531	Pere Marquette	694,522
Southern	4,889,562	Chicago Illinois Midland	686,137
Great Northern	4,789,047	Central of Georgia	684,511
Chicago Rock Isl & Pacific	4,766,108	Minneapolis St. P. & S. S. M.	659,605
Chicago Burlington & Quincy	4,731,000	Pittsburgh & Lake Erie	652,996
N. Y. New Haven & Hartford	4,299,061	Alabama Great Southern	510,072
Chi. Milwaukee St. P. & Pac.	4,133,803	Spokane Portland & Seattle	505,752
Atlantic Coast Line	3,987,108	Cincinnati N. Or. & T. Pac.	487,038
Seaboard Airline	3,553,712	Western Maryland	414,906
Illinois Central	3,530,001	Kansas City Southern	405,292
Northern Pacific	3,193,387	Grand Trunk Western	403,922
Louisville & Nashville	3,027,594	Delaware & Hudson	364,328
Chicago & North Western	2,768,803	Chi. St. Paul Minn. & Omaha	323,703
St. Louis San Fran. (2 roads)	2,382,464	New Orleans & Northeastern	318,153
Wabash	2,173,585	Long Island	299,966
Erie	1,911,982	Missouri Central	296,511
Lehigh Valley	1,905,927	Wheeling & Lake Erie	291,784
Chesapeake & Ohio	1,891,169	Minneapolis & St. Louis	252,808
Denver & Rio Grande West	1,877,776	Elgin Joliet & Eastern	235,939
N. Y. Chicago & St. Louis	1,853,329	Georgia Southern & Florida	224,715
Boston & Maine	1,639,575	Northwest Pacific	221,321
St. Louis Southwestern	1,415,451	Maine	217,667
Texas & Pacific	1,395,088	Chicago Great Western	204,140
Western Pacific	1,379,397	Georgia	202,240
Central of New Jersey	1,345,163	Louisiana & Arkansas	188,802
Missouri-Kansas-Texas	1,196,851	Illinois Terminal	181,790
Del. Lackawanna & Western	1,176,976	Bessemer & Lake Erie	181,762
Richmond Fred. & Potomac	1,101,341	Penn. Reading SS Lines	178,158
Norfolk & Western	1,066,291	Norflok Southern	126,290
Reading	1,035,533	Western Ry. of Alabama	119,674
Nash. Chat. & St. Louis	978,866	Staten Island Rapid Transit	112,025
Yazoo & Mississippi Valley	941,036		
Alton	895,686	Total (81 roads)	$171,804,673

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $14,130,762.

In order to indicate more clearly which sections of the country have been most active to the increased earnings, we now turn to our break-down of the nation as a whole. Arranging the roads in groups, or geographical divisions, according to their location, the generally favorable results recorded during the month under review are very clearly manifested. Every District into which the country is divided reported increases over a year earlier, in both categories. The forerunner of the districts was once again the Western District, which led in both gross and net increases, with gains of 56.21% and 130.81%. The Southern and Eastern Districts were close behind.

Turning our attention to the smaller sub-divisions, the regions, we notice that substantial increases were recorded in both categories over a year earlier by all eight regions. However, the Southwestern region attained the greatest increase in gross listing with a gain of 69.76%, while the Central Western and Southern followed with improvements of 63.97% and 55.55% respectively. In the net grouping the Central Western region led with a gain of 164.14% and was followed by the New England region with a 153.97% increase, and the Southwestern with a 132.05% gain.

For a detailed picture of the outlines presented above, we now present our summary tabulations of the 132 reporting roads. Our grouping conforms with the classification prescribed by the Interstate Commerce Commission. For the boundaries of the various subdivisions, districts and regions, consult the footnote subjoined to the following table:

SUMMARY OF GROUPS—MONTH OF OCTOBER

District and Region	Gross Earnings 1942	1941	Inc. (+) or Dec. (—)	
	$	$	$	%
Eastern District—				
New England region (10 roads)	26,402,889	18,457,218	+ 7,945,671	+43.05
Great Lakes region (23 roads)	120,245,161	90,902,789	+ 29,342,372	+32.28
Central Eastern region (18 roads)	147,181,847	110,608,242	+ 36,573,605	+33.06
Total (51 roads)	293,829,897	219,968,249	+ 73,861,648	+33.58
Southern District—				
Southern region (26 roads)	101,750,052	65,411,248	+ 36,338,804	+55.55
Pocahontas region (4 roads)	35,819,406	31,088,398	+ 4,731,008	+15.22
Total (30 roads)	137,569,458	96,499,646	+ 41,069,812	+42.56
Western District—				
Northwestern region (15 roads)	84,013,068	62,136,218	+ 21,876,850	+35.21
Central Western region (16 roads)	163,732,770	99,852,953	+ 63,879,817	+63.97
Southwestern region (20 roads)	66,437,771	39,135,708	+ 27,302,063	+69.76
Total (51 roads)	314,183,609	201,124,879	+113,058,730	+56.21
Total all districts (132 roads)	745,582,964	517,592,774	+227,990,190	+44.05

District and Region	Mileage 1942	Mileage 1941	Net Earnings 1942	1941	Incr. (+) or Dec. (—)	
			$	$	$	%
Eastern District—						
New England region	6,635	6,689	10,699,564	4,213,002	+ 6,486,562	+153.97
Great Lakes region	25,991	26,030	47,269,647	22,540,601	+ 24,729,046	+109.71
Central East. region	24,191	24,393	59,100,107	30,996,727	+ 28,103,380	+ 90.67
Total	56,817	57,112	117,069,318	57,750,330	+ 59,318,988	+102.72
Southern District—						
Southern region	37,565	37,964	44,853,802	19,364,726	+ 25,489,076	+131.63
Pocahontas region	6,044	6,081	18,593,047	14,614,547	+ 3,978,500	+ 27.22
Total	43,609	44,045	63,446,849	33,979,273	+ 29,467,576	+ 86.72
Western District—						
Northwestern region	45,456	45,625	39,056,841	21,252,352	+ 17,804,489	+ 83.78
Central West. region	55,524	56,228	77,894,974	29,490,002	+ 48,404,972	+164.14
Southwestern region	28,838	29,050	31,689,861	13,656,651	+ 18,033,210	+132.05
Total	129,818	130,903	148,641,676	64,399,005	+ 84,242,671	+130.81
Total all districts	230,244	232,060	329,157,843	156,128,608	+173,029,235	+110.83

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

Collectively speaking, the October current-year grain movement over the Western roads was somewhat heavier than last year, with all grains contributing to the heavier movement. However, wheat's 49,869,000 bushels and corn's increase of 7,721,000 bushels were the chief contributing factors. Oats doubled its 1941 total of 3,356,000 bushels, while flour, rye and barley showed activity to some extent. We now present below our usual detailed table of the Western flour and grain movment.

WESTERN FLOUR AND GRAIN RECEIPTS

Five Weeks Ended October 31.

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	1,284	5,783	11,872	2,084	987	2,156
	1941	960	1,755	7,577	1,467	248	1,827
Minneapolis	1942	----	18,959	857	7,711	2,239	7,094
	1941	----	15,717	1,733	3,637	1,560	4,195
Duluth	1942	----	10,576	538	661	585	1,462
	1941	----	10,433	3,281	163	1,042	1,051
Milwaukee	1942	82	133	808	45	633	5,192
	1941	94	152	839	16	277	3,276
Toledo	1942	----	1,467	466	513	131	63
	1941	----	1,348	520	289	3	36
Indianapolis & Omaha	1942	----	2,156	4,430	1,262	11	3
	1941	----	1,014	3,886	750	20	2
St. Louis	1942	621	1,961	3,807	292	82	285
	1941	638	610	776	156	46	391
Peoria	1942	254	756	4,787	278	38	522
	1941	186	275	3,313	174	125	340
Kansas City	1942	88	5,571	2,501	480	----	----
	1941	66	2,704	858	208	----	----
St. Joseph	1942	----	613	500	293	----	----
	1941	----	156	309	357	----	----
Wichita	1942	----	1,183	----	----	----	----
	1941	----	922	----	----	----	2
Sioux City	1942	----	687	742	321	96	604
	1941	----	236	509	115	25	196
Detroit	1942	----	24	14	----	----	----
	1941	----	----	----	----	----	----
Total all	1942	2,329	49,869	31,322	13,940	4,802	17,381
	1941	1,944	35,322	23,601	7,332	3,346	11,316

WESTERN FLOUR AND GRAIN RECEIPTS

Ten Months Ended October 31.

(000 omitted)	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	9,731	18,253	80,623	17,587	3,208	13,010
	1941	8,450	19,005	79,861	18,038	4,090	11,291
Minneapolis	1942	----	110,273	14,915	40,223	12,019	48,246
	1941	86	126,804	11,357	24,851	16,900	41,148
Duluth	1942	----	45,313	10,973	1,825	1,936	4,786
	1941	21	59,217	17,655	1,634	4,593	9,283
Milwaukee	1942	680	1,618	8,706	555	1,444	26,109
	1941	783	4,113	9,115	788	1,499	22,471
Toledo	1942	283	11,566	5,086	3,973	1,166	235
	1941	----	13,080	2,234	4,977	36	93
Indianapolis & Omaha	1942	----	21,333	40,024	10,929	397	76
	1941	25	25,511	30,394	7,176	430	109
St. Louis	1942	5,572	17,541	21,850	3,482	1,000	2,185
	1941	5,625	15,484	11,365	2,807	314	1,775
Peoria	1942	1,867	3,565	37,468	2,091	602	3,342
	1941	1,736	3,508	28,584	2,288	844	3,268
Kansas City	1942	734	57,679	26,582	4,340	6	----
	1941	1,148	76,463	6,163	2,204	----	----
St. Joseph	1942	----	5,659	4,294	2,589	4	6
	1941	----	4,483	1,931	2,123	----	----
Wichita	1942	----	16,730	24	2	----	----
	1941	----	20,940	----	----	2	7
Sioux City	1942	----	3,413	4,611	1,696	414	2,528
	1941	----	2,904	2,771	851	322	1,614
Detroit	1942	----	157	125	----	15	7
	1941	----	----	----	----	----	----
Total all	1942	18,867	313,100	255,281	89,292	22,211	100,530
	1941	17,874	371,512	201,430	67,737	29,030	91,059

In the table which follows we furnish our customary summary of the October comparisons of the gross and net earnings of the railroads of the current year back to and including 1909:

Month of October	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$251,187,152	$225,109,822	+$26,077,330	+11.58	222,632	219,144
1910	256,585,392	253,922,867	+ 2,662,525	+ 1.05	232,162	228,050
1911	260,482,221	259,111,859	+ 1,370,362	+ 0.53	236,291	233,19
1912	293,738,091	258,473,408	+ 35,264,683	+13.64	237,217	233,545
1913	299,195,006	300,476,017	— 1,281,011	— 0.43	243,690	240,886
1914	269,325,262	298,066,118	— 28,740,856	— 9.64	244,917	241,093
1915	311,179,375	274,091,434	+ 37,087,941	+13.53	248,072	247,009
1916	345,790,899	310,740,113	+ 35,050,786	+11.28	246,683	246,000
1917	389,017,309	345,079,977	+ 43,937,332	+12.73	247,048	245,967
1918	484,824,750	377,867,933	+106,956,817	+28.31	230,184	230,576
1919	508,023,854	439,081,358	+ 18,942,496	+ 3.87	233,192	233,136
1920	633,852,568	503,281,630	+130,570,938	+25.94	231,439	229,935
1921	534,332,833	640,255,263	—105,922,430	—16.54	235,228	234,686
1922	545,759,206	532,684,914	+ 13,074,292	+ 2.45	233,872	232,882
1923	586,328,886	549,080,662	+ 37,248,224	+ 6.78	235,608	236,015
1924	571,405,130	586,540,887	— 15,135,757	— 2.58	235,189	235,625
1925	590,161,046	571,576,038	+ 18,585,008	+ 3.25	236,724	236,564
1926	604,052,017	586,008,436	+ 18,043,581	+ 3.08	236,654	236,898
1927	582,542,179	605,982,445	— 23,440,266	— 3.87	238,828	238,041
1928	616,710,737	579,954,887	+ 36,755,860	+ 6.34	240,661	239,602
1929	607,584,997	617,475,011	— 9,890,014	— 1.60	214,622	241,451
1930	482,712,524	608,281,555	—125,569,031	—20.64	242,578	241,555
1931	362,647,702	482,784,602	—120,136,900	—24.88	242,745	242,174
1932	298,076,110	362,551,904	— 64,475,794	—17.78	242,031	242,024
1933	297,690,747	298,084,387	— 393,640	— 0.13	240,858	242,177
1934	292,488,478	293,983,028	— 1,494,550	— 0.51	238,937	240,428
1935	340,591,477	292,495,988	— 48,095,489	+16.44	237,385	238,971
1936	390,826,705	340,612,829	+ 50,213,876	+14.74	236,554	237,575
1937	372,283,700	390,633,743	— 18,350,043	— 4.70	235,173	235,750
1938	352,880,489	372,283,700	— 19,403,211	— 5.21	234,242	235,161
1939	418,934,974	352,823,729	+ 66,111,245	+18.74	233,361	234,182
1940	412,774,363	418,934,974	— 6,160,611	— 1.47	232,632	233,369
1941	517,592,773	412,896,707	+104,696,066	+25.36	232,081	232,682
1942	745,582,964	517,592,774	+227,990,190	+44.05	229,144	232,055

Month of October	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$99,243,438	$85,452,483	+$13,790,955	+16.14
1910	91,451,609	102,430,704	— 11,029,095	—10.7
1911	93,836,492	91,725,725	+ 2,110,767	+ 2.30
1912	108,046,804	93,224,776	+ 14,822,028	+15.90
1913	97,700,506	110,811,359	— 13,110,853	—11.83
1914	87,660,694	95,674,714	— 8,014,020	— 8.38
1915	119,324,551	89,244,989	+ 30,079,562	+33.71
1916	130,861,148	119,063,024	+ 11,798,124	+ 9.91
1917	125,244,540	131,574,384	— 6,329,844	— 4.81
1918	107,088,318	122,581,905	— 15,493,587	—12.64
1919	104,003,198	106,196,863	— 2,193,665	— 2.07
1920	117,998,825	103,062,304	+ 14,936,521	+14.49
1921	137,928,640	115,397,560	+ 22,531,080	+19.52
1922	120,216,296	137,900,248	— 17,683,952	—12.82
1923	141,922,971	121,027,593	+ 20,895,378	+17.26
1924	168,750,421	142,540,585	+ 26,209,836	+18.39
1925	180,695,428	168,640,671	+ 12,054,757	+ 7.15
1926	193,990,813	180,629,394	+ 13,361,419	+ 7.40
1927	180,600,126	193,701,962	— 13,101,836	— 6.76
1928	216,522,015	181,084,281	+ 35,437,734	+19.57
1929	204,335,941	216,519,313	— 12,183,372	— 5.63
1930	157,115,953	204,416,346	— 47,300,393	—23.14
1931	101,919,028	157,141,555	— 55,222,527	—35.14
1932	98,336,295	101,914,716	— 3,578,421	— 3.51
1933	91,000,573	98,337,561	— 7,336,938	— 7.46
1934	80,423,303	89,641,103	— 9,217,800	—10.28
1935	108,551,920	81,039,275	+ 27,512,645	+33.95
1936	130,165,162	108,567,097	+ 21,598,065	+19.89
1937	102,560,563	130,196,850	— 27,636,287	—21.23
1938	110,996,728	102,560,563	+ 8,436,165	+ 8.23
1939	148,098,290	110,994,564	+ 37,103,726	+33.43
1940	136,866,261	148,098,290	— 11,232,029	— 7.58
1941	156,128,607	136,924,911	+ 19,203,696	+14.03
1942	329,157,843	156,128,608	+173,029,235	+110.83

Agricultural Department Report On Winter Wheat And Rye Acreage Sown For 1943 Crop

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 21, its report showing the acreage and condition of winter wheat and rye for the crop of 1943 as follows:

Winter Wheat—The acreage of winter wheat seeded for harvest in 1943 is 37,482,000 acres—2% less than in the fall of 1941, and 10,500,000 acres or 22% below average. A smaller acreage than in 1941 was seeded in Kansas, which annually has more than a quarter of all the winter wheat acreage, in the East North Central States, and in the Pacific Coast States. A slightly larger acreage was seeded in Nebraska and Texas. In Missouri an increase of 380,000 acres or 45% reflects a return toward usual wheat acreage from a relatively small acreage seeded in the fall of 1941 due to adverse seeding conditions. The 6% decrease in Kansas differs only slightly from actual seedings in 1941, since a considerable acreage of volunteer wheat was harvested in 1942 and is included in the 1941 "seedings." This is true also to a lesser degree in other States of the Great Plains. Included in the acreage is some not yet seeded and some intended primarily for pasture and hay.

In most sections wheat was seeded and has progressed under favorable conditions this fall. The soil moisture situation was less favorable in some areas, being too abundant in Pennsylvania and deficient in parts of Illinois, Washington and Oregon. This interfered with seeding and retarded growth, but conditions improved later. In the Southwest, conditions were nearly ideal for seeding and have been favorable for growth. Reported condition approximated or exceeded average in practically all States; it also was higher than on Dec. 1, 1941 in an important area embracing Illinois, Iowa, Missouri, Kansas, Oklahoma and Texas, and in California and in most of the Southeastern States. The condition is equal to or lower than a year ago in the remaining States. A favorable Dec. 1 condition is usually associated with a low loss of acreage between seeding and harvest. Abandonment of the 1943 crop is indicated at 6.7%, compared with 7.0 in 1942 and the average of 19.7%.

Production in 1943 is indicated at 624,504,000 bushels by factors measurable in the fall, such as reported condition and rainfall, and temperature to date, related to yields in past years. This would be about 11% less than the very large 1942 crop, but nearly 11% above average production. The indicated yield is 16.7 bushels per seeded acre, compared with 18.3 bushels in 1942 and the average of 11.8 bushels per seeded acre.

Rye—The acreage of rye seeded in the fall of 1942 is estimated at 5,933,000 acres, which is 8.2% below the 6,465,000 acres seeded in the fall of 1941, and 1.4% below the 10-year (1930-39) average of 6,017,000 acres. The acreage as estimated includes that intended for soil improvement purposes, pasture and hay, as well as for grain, and an allowance for spring seeding in those States growing spring rye. Decreases were general in all of the important rye producing States of the North Central area. In Minnesota, the decrease was 31%; in North Dakota, 24%; in South Dakota, 20%; and in Nebraska, 4%. In contrast, increases occurred in most of the South Atlantic and South Central States, where over half of the acreage is used for purposes other than grain.

The decreased acreage in the North Central States is the result of several factors, among which the most important were heavy rainfall at the usual seeding period, and the late harvest of spring crops caused by the prolonged wet weather.

The Dec. 1 condition of rye is indicated to be 86% of normal, one point below the condition a year ago, but eleven points above the 10-year (1930-39) average. Condition is below last year in the important producing States of North and South Dakota, Nebraska, Wisconsin and Michigan, principally due to the delay in seeding caused by the same weather and labor situation affecting acreage.

Pay On Cuban 5½s

Republic of Cuba, through Roberto Hernandez, Counsel General of Cuba in New York City, has notified holders of its external loan 30-year sinking fund 5½% gold bonds issued under loan contract dated Jan. 26, 1923, that $900,000 principal amount of the bonds have been drawn by lot for redemption on Jan. 15, 1943, out of moneys in the sinking fund, at 100% of their par value and accrued interest to the redemption date. The bonds drawn for redemption will be paid at the office of the fiscal agents, J. P. Morgan & Co. Inc., on or after Jan. 15, 1943, after which date interest on the drawn bonds will cease.

On Dec. 10, 1942, $253,100 principal amount of these bonds previously drawn for redemption had not been presented for payment.

Items About Banks, Trust Companies

The officers and employees of Manufacturers Trust Company of New York have donated a Clubmobile to the American Red Cross in Great Britain. Arrangements were made to deliver the vehicle on Christmas morning to Harvey D. Gibson's residence in London. Mr. Gibson, who is President of Manufacturers Trust Company, is now serving as American Red Cross Commissioner to Great Britain, and the employees of the bank presented the gift as a tribute to Mr. Gibson. It is pointed out that:

"The Clubmobile is a mobile vehicle, mounted on a truck chassis, which will be used to visit the various outlying units of the American Armed Forces in the British Isles, particularly where, because of remote location or duties involved, the men in the Armed Services are unable to avail themselves of the regular Red Cross Club facilities. The Clubmobile is equipped with a doughnut machine and a coffee-making apparatus. It also has a portable motion picture projector and other equipment for the entertainment of American troops. It is sufficiently large to accommodate stage, screen and radio stars who volunteer their services for the entertainment of our men in the Armed Services."

Following a meeting of the Board of Directors of the Bank of the Manhattan Company on Dec. 24, F. Abbot Goodhue, President, announced the following promotions:

Harold Powelson, formerly Trust Officer, was appointed Assistant Secretary.

Minor L. Wheaton, formerly Assistant Trust Officer, was appointed Assistant Cashier.

Francis E. Curran, James A. Fryatt and Franklin B. Kellogg, formerly Assistant Trust Officers, were appointed Trust Officers.

John W. Gates, Charles B. McGuire and Stanley V. Malek were appointed Assistant Cashiers.

John A. Gluckert was appointed Assistant Trust Officer.

Central Hanover Bank & Trust Company announces the appointment of Thomas F. Delaney, J. Wesley Johnston and Allyn W. Maxwell as Assistant Secretaries. Formerly they were assistant managers in the Business Development Department.

William Gerard Vermilye, who retired in 1932 after 43 years with the banking firm of Brown Brothers, Harriman & Co., formerly Brown Brothers & Co., died on Dec. 17 at his home in Tenafly, N. J. A native of Newark, Mr. Vermilye was graduated from Williams College in 1888. He was associated with the banking firm of Brown Brothers & Co. from 1889 to 1932.

Dividend checks totaling $3,282,363 were mailed on Dec. 26 to 210,000 depositors and creditors of the defunct Bank of the United States, New York City. The payment, which is at the rate of 2½% and is the eighth disbursement, brings total liquidating disbursements to more than $155,000,000, or 75% of claims, since the bank closed in December, 1930. Jackson S. Hutto, State Superintendent of Banks, announced that the Banking Department still has on hand nearly $1,500,000 in dividends unclaimed by 180,000 depositors. He urged all depositors who do not receive the latest check to send their correct address to the Department. Mr. Hutto added that liquidation of the bank's property should be completed in 1943. Plans to distribute this dividend were noted in our issue of Nov. 5, page 1648.

Holman D. Pettibone, President of Chicago Title and Trust Co. of Chicago, Ill., announced the election on Dec. 24 of Albert Young Bingham as Vice-President and the appointment of Glenn M. Trumbo as Assistant Treasurer of the company. Mr. Bingham, a native Chicagoan, is a graduate of Evanston High School and the University of Illinois. In November, 1927, he entered the employ of the Illinois Merchants Trust Co., remaining there after that bank joined the Continental Illinois group. For some time he was head of the Trust Department Research Analysis Division there. In December, 1935, he entered the employ of Walter P. Murphy, who died recently after leaving several million dollars to Northwestern University for the establishment of the Northwestern Technological Institute. Up to the time of Mr. Murphy's death Mr. Bingham was engaged in the management of the former's securities and investments.

Mr. Trumbo, a graduate of Simpson College, took post-graduate work at the University of Chicago. He has been with Chicago Title and Trust Co. since 1929. Until 1936 he was security analyst, and since that year has been connected with the Treasurer's office as manager of the Trading Department.

Robert F. Schenck, Jr., a floor member of the Chicago Stock Exchange since February, 1930, was recently commissioned a Lieutenant (J. G.) in the U. S. Navy. He was scheduled to report at Princeton University Dec. 11 for indoctrination.

Arnold J. Mount, Chairman of the Board of the Bank of Commerce in Oakland (Calif.) and former President of the Bank of America, National Trust and Savings Association, died in an Oakland hospital on Dec. 17. He was 58 years old. The following concerning his career was reported in the San Francisco "Chronicle" of Dec. 18:

"He had started his banking career as a clerk in a bank at Palo Alto, going to the Central National Bank in Oakland where he rose to Vice-President and Cashier, a post he resigned in 1921 to become Vice-President in charge of seven East Bay branches of the Bank of Italy.

"He then moved to San Francisco offices of the bank in 1924, becoming senior Vice-President in less than a year. In 1930, he was made President of the Bank of America, National Trust and Savings Association, following the merger of the Bank of Italy with that institution.

"He was President of the California Bankers Association in 1929, and was cited as 'one of the finest examples of a self-made banker in California.' At the time of his death, he was Chairman of the Board of the Bank of Commerce in Oakland, an institution he helped form in 1937.

"He also was a major stockholder and President of the Maywood Glass Co. of Los Angeles at the time of his death."

Morgenthau Explains War Finance Policy

The Treasury's program of war financing represents an effort to provide necessary funds while side-stepping those factors that would lead to inflation, Secretary Morgenthau wrote on Dec. 9 in an article published in the "Army and Navy Journal."

"Governments at war," Mr. Morgenthau stated, "have been known to debase their coinage, issue new currency and rely on the credit-manufacturing mechanism of the banks to provide them with the necessary resources to conduct war." He added:

"These practices did not reduce by one iota the sacrifices people were called on to make during the war. They simply added to the necessary burdens of wartime sacrifice to wholly unnecessary, arbitrary and inequitable burdens of war inflations and post-war deflation, with their attendant misery and injustice."

The New York "Times" in Washington advices of Dec. 9 further said:

"For these reasons, Mr. Morgenthau emphasized, the Treasury in its financing has made every effort to avoid the use of bank credit in absorbing war bonds beyond the strictly necessary minimum, just as it has attempted to raise as much money by taxation as is possible without dislocating our economy.

"We must do all we can," the Secretary wrote, "to avoid creating new money, or activating old money, but instead we must draw from the current income stream money that would otherwise have been spent in buying consumers' goods.

"Our borrowing must not add unnecessarily to the total of purchasing power already in existence; it must transfer from private to public use the income that is being created by the war program itself. Only in this way can the Government check whatever tendency to a price rise it may be producing by its own spending program.

"Secretary Morgenthau pointed out that at the present time 28,000,000 individuals are investing approximately 8% of their income in war bonds. He expressed the hope that by Jan. 1 the number of such investors would rise to 30,000,000 and that the percentage of investment would go to 10.

ABA Issues New Book On Prudent-Man Rule For Trust Investment

Publication of a booklet entitled "The Prudent-Man Rule for Trust Investment" is announced by the Trust Division of the American Bankers Association. It has been prepared in response to widespread interest in the "prudent-man" standard for trustees in the investment of trust funds. The booklet is the work of the Committee on Fiduciary Legislation of the Trust Division of the A. B. A., with the assistance of Mayo A. Shattuck of the Massachusetts Bar. In announcing this on Dec. 17 the Association said:

"The booklet contains the text of a 'Model Prudent-Man Investment Statute' prepared by Mr. Shattuck and the committee for use in those States where it is desired to change the trust investment statutes to conform to the prudent-man or Massachusetts Rule standard for the investment of trust funds. It also contains reports from trust men regarding the trust investment situation in each of the 48 States and the District of Columbia, and comments by Mr. Shattuck on the model statute."

In a foreword, Louis S. Headley, President of the Trust Division and Vice-President of the First Trust Co. of St. Paul State Bank, St. Paul, says:

"The extensive adoption of the standard of prodence in recent years by testators and attorneys in the granting of investment powers has suggested to many that the Massachusetts Rule is better adapted to modern conditions than any rule built around formulas or lists of authorized investments. The model statute now submitted has been prepared as a guide for those legislatures which hold this view and wish to embody it in their State law."

Copies of the booklet have been sent to secretaries of all State bankers associations and corporate fiduciary associations. Copies may be obtained from the Trust Division of the American Bankers Association at 22 East 40th Street, New York City.

Treasury Approves Sub-Agents War Bond Plan

The Treasury Department has advised the Federal Reserve Bank of New York that it has no objection to the establishment of sub-agency arrangements by banks and trust companies under which it may appoint one of its customers as its sub-agent to sell and issue Series E War Savings Bonds. According to a letter sent out Dec. 11 by Allan Sproul, President of the New York Reserve Bank, to banks and trust companies in the District the Treasury "has indicated that only in this manner may certain organizations falling in classes which the Treasury Department does not deem it advisable to qualify directly as issuing agents, participate to the greatest advantage in the War Savings Bond program."

Mr. Sproul's letter to the qualified agents in the Second District, further said: "Under the arrangement referred to, you would furnish your customer with War Savings bond stock to be issued by him; the customer would use an issuing agent's stamp, which we will provide upon request, similar to the one you use for issuing bonds, with the addition of the customer's name as sub-agent if so desired; and the customer would account directly to you for the proceeds of bonds sold. Your agreement to act as issuing agent, under the terms of which you are required to account for all bond stock furnished to you or for the proceeds thereof, would not be modified or affected in any manner by a sub-agency agreement with one of your customers."

Ownership Clf. Filing No Longer Required

Secretary of the Treasury Morgenthau announced on Dec. 28 that the Treasury Department had decided to relieve taxpayers, banks and industry in general from the necessity of filing each year "ownership certificates" previously required as income tax records. Promising that further steps to "lighten the burden of the business men are under study," according to advices to the New York "Journal of Commerce" from its Washington bureau, Secretary Morgenthau said other techniques which will accomplish the same results as the certificates, without involving the "trouble" they have caused, will be adopted, Mr. Morgenthau was also quoted as saying.

"In these times when business men are being subjected to additional record-keeping made imperative by the war, we have been examining all of our activities with a view to reducing this burden of paper work to a minimum. The Treasury is checking each type of record with a view to its over-all value. By eliminating this form I believe we will provide a saving in time and effort to taxpayers, banks and industry in general that will be very substantial, leaving them more time to concentrate on winning the war."

From the advices to the "Journal of Commerce" we also quote:

"Today's decision eliminates outright the requirement for filing the ownership certificate, Form 1000, by United States citizens presenting interest coupons from obligations of the United States. About 4,000,000 such certificates have been filed annually in recent years and the number would have increased heavily with the issuance of additional securities to finance the war, Mr. Morgenthau said.

"The certificates are eliminated also in the case of citizens of the United States presenting interest coupons from bonds of domestic corporations, except in the case of bonds containing a tax-free covenant. About 4,500,000 certificates accompanying corporation bond coupons have been filed each year.

"The original ownership certificate regulations required that bond owners presenting coupons for collection, either through their banks, at Federal Reserve banks, at the Treasury, or at the home offices of domestic corporations, prepare and submit ownership certificates on Form 1000 with the coupons.

"A form was required for each coupon submitted, except that one certificate could be submitted for groups of coupons from the same issue of bonds. The owner of domestic corporation bonds was required to show his name and address, the name and address of the obligor of the bonds, name of bond, date of bond issue, due dates and payment dates for interest, and the bondholder's signature.

"The completed certificate was presented at the bank window with the coupon, and they remained together through banking channels to the office of the company issuing the bond. The company then forwarded the certificate to the Commissioner of Internal Revenue at Washington. The Revenue Bureau used the certificates as a check on the accuracy of income tax returns.

"Owners of obligations of the United States were required to prepare ownership certificates in substantially the same way when presenting coupons for payment. In the case of registered Government bonds, the certificates were prepared by the Treasury when interest checks were mailed.

"Not only the preparation of the certificates by the bond owners, but also the subsequent handling of them by private banks, Federal Reserve banks, corporations and the Revenue Bureau required the expenditure of much effort.

"In the Revenue Bureau the certificates had to be sorted and arranged for association with the individual income tax returns of the bond owners.

"The new decision continues in effect the requirements for filing of ownership certificates in the case of citizens of the United States cashing interest coupons of domestic corporations where such bonds contain a tax-free covenant because this requirement could be changed only by Congress. However, handling of these certificates is being considerably simplified."

Washington Bank Protests 'Red Tape'

(Continued from first page)

of paper, or 512 feet of paper. Horizontally this is not quite twice the length of a football field but vertically it is considerably higher than the Great Pyramid of Egypt.

"The maximum number of items possible in this report is also of colossal proportions. The magnum opus is divided into eight sections, labeled from A to H. Section A is a simple one, as one has merely to read the book of instructions which goes with the form. But from B to H there are listed the following possible entries: B—39 items; C—18 items; D—3 items; E—6,567 items; F—576 items; G—496 items, and H—40 items. Maximum number of items, 8,119; maximum with copies, 48,714; maximum for one year, 194,856."